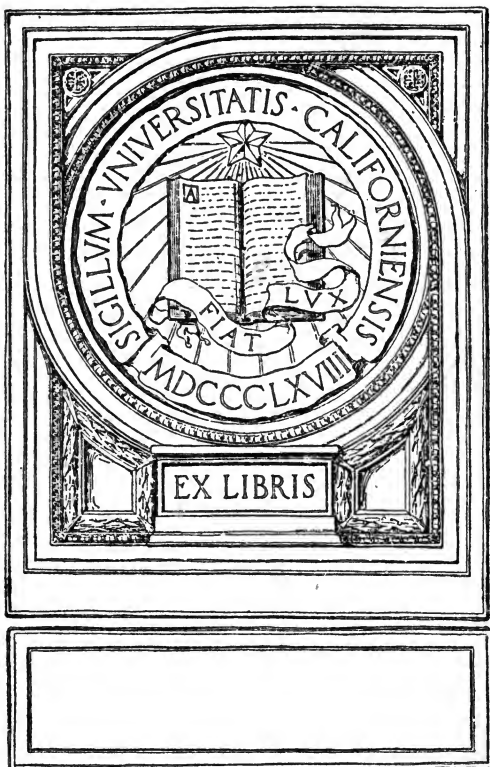
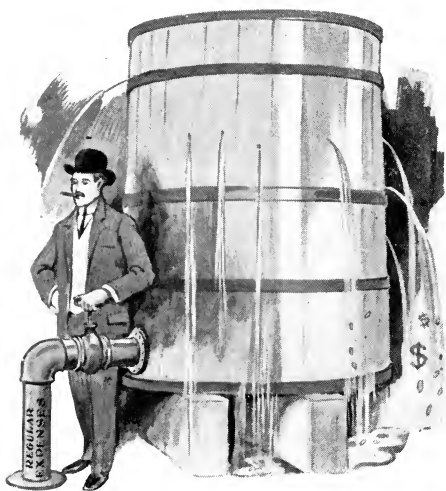


STORE
MANAGEMENT
COMPLETE



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*The big leak keeps one looking after it.—See
page 137.*

STORE MANAGEMENT —COMPLETE

By FRANK FARRINGTON

Author of

"Retail Advertising—Complete"

"Talks by the Old Storekeeper"

"The Clerks' Book," Etc., Etc.



Chicago
Byxbee Publishing Company
440 So. Dearborn St.

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CONTENTS

CHAPTER I

PAGE

THE MAN HIMSELF 5

What a merchant is. The most desirable personality. Mental and physical qualifications. How to be a merchant. Overwork and its disadvantages. Possibilities of development. Proper examples. The right line of growth. Success-making qualities.

CHAPTER II

WHERE TO START 26

Advantages of various locations. The wisdom of changing. How to make the most of a poor location. Owning or renting. Which side of the street. What town. Buying a store. What, where and when to buy. How to avoid pitfalls in buying.

CHAPTER III

STORE ARRANGEMENT 47

Making entrance easy. Best arrangement of windows. How to plan the lighting. Heat and ventilation. Keeping the store clean inside. Arrangement of counters, shelving, departments, etc. Use of cellar, ware-room, stock-room. Utilizing waste space. Systems of storing extra stock.

CHAPTER IV

THE BUYING END 72

Stock keeping. Knowing what to buy. Stocking new goods. Buying by mail and from traveling salesmen. About quantity discounts. Maintaining credit. Taking cash discounts. Keeping track of bills payable. Copies of orders. Over-buying. Commission goods.

CHAPTER V

• THE STORE POLICY 93

What it should be to hold trade. The money back plan. Taking goods back. Meeting cut rates. Selling remnants. Delivering goods. Substitution. Handling telephone calls. Generosity. Rebating railroad fare. Courtesy to customers.

CHAPTER VI

• CLERK MANAGEMENT 113

What kind of clerks to hire. How to treat them. The wage question. The employer's responsibility. Helping clerks to make good. The nagging employer. Making clerks worth more money to themselves and to their employer.

Contents

CHAPTER VII

	PAGE
--	------

LEAKS	137
-----------------	-----

Store economies. Caring for equipment. Goods wasted. Time wasted. Finding little leaks. Handling the money. Money-saving fixtures. Cleanliness.

CHAPTER VIII

• THE STORE'S NEIGHBORS	156
-----------------------------------	-----

Relations with other merchants. Borrowing competitors. Making visiting profitable. Co-operation among local merchants for mutual advantage. Merchants' associations. What one association did. A "Bargain Week" sale by a whole town.

CHAPTER IX

• WORKING HOURS	172
---------------------------	-----

Holidays. Overtime when business demands it. Early closing vs. late closing. Clerks' time off. Sunday closing. Special hours for special sales.

CHAPTER X

EXPENSES	188
--------------------	-----

Cost of doing business. How to figure cost and profit per cents. What it should cost to do business. Profits on side lines and separate departments. What should be included in expenses. Reducing expenses properly and improperly. Inventories.

CHAPTER XI

THE CREDIT BUSINESS	206
-------------------------------	-----

• The advantages of the cash basis. Which plan pays best. What "cash basis" should mean. Changing from credit to cash. Encouraging cash buying. Whom to trust. How to collect overdue accounts.

CHAPTER XII

• WHAT TO SELL	222
--------------------------	-----

The staple lines. Advertised goods. Side lines. Branching out into the mail order business. Cheap goods vs. quality goods. The exclusive store. Making cheap goods sell good goods. Meeting mail order competition. Other merchants' lines; your right to sell them. The use of trade journals.

CHAPTER XIII

PREMIUM GIVING	238
--------------------------	-----

Does it pay? Trading stamps. Your own premium plan. What kinds of coupons to use. What kinds of premiums to give. Mutual agreements that no premiums or equivalent shall be given. Making premium goods attract trade. Interesting the women.



CHAPTER I

THE MAN HIMSELF

It is the man himself that makes or mars the business.

The store may be located in the best business section of the town and it may be full of goods properly priced and generously advertised and yet fail because of the man behind it all.

Of course the merchant who is big enough so that he need not appear in person behind his counters and need never meet a customer himself, if he has abundant capital, may succeed though he be not the kind of a man a real merchant should be. The Big Store man is not necessarily a merchant. He is more of a financier in most cases. To me the word merchant means a man who can manage a store successfully without calling in expert help in any of the managing departments.

A merchant needs to be an all around man, a man who knows much about many things, who can himself do any part of the store work if need be, in order to show an employee how it should

Store Management—Complete

be done, and a man who can make himself agreeable to people and exhibit a high degree of proficiency in salesmanship.

In this chapter I am going to cover the characteristics desirable in a man who would be a successful merchant. This refers to the merchant of ANY size, for the greater merchant must start as a lesser. No business man ever began at the top and stayed there.

The man who has already cultivated the qualities that are needed to make success will find no harm in having their importance impressed upon him, and the man who lacks one or many of them, and I know of no one who possesses all, may be encouraged to work the harder to achieve personal perfection if its financial value is impressed upon him.

Business of all kinds is to-day so strenuous a struggle that the man who expects to win success must make and keep himself as nearly physically fit as possible. The weakling of any kind, physical, mental or moral, cannot win out. The race is to the strong in every instance.

One of the first requisites for a successful merchant is a strong body, a good physique, a constitution that will not break under any amount of work or worry. Both work and worry will come in abundance to the man in

Store Management—Complete

business; the former without limit and the latter limited only by the man's ability to shed it as a duck's back sheds water. The difference between work and worry is that work reduces the amount of work to be done, while worry increases the amount of worrying necessary. The more a man works, the easier work is for him and the better he likes it. The more a man worries, the easier it is for him to worry and the less he likes it. Both are habits and one is just as beneficial as the other is detrimental.

The more a man worries, too, the less he will like to work and the more work he will have to do. Work is apt to reduce work and worry is certain to produce work.

An active mind is a necessity in success-making. An active mind is not long possible in a weak body. The mind that will guide a business on the upward path must be a clear mind, sustained by a body that is not hampered by any lack of energy or by a consciousness of any inferiority.

They used to say that "All work and no play makes Jack a dull boy," and that was years ago when play was viewed in a very different way from now. Anything trivial was unbecoming the dignity of a business man. Still even then there evidently were those who could see the

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deadening influence of all work and no play. The consideration was then more a mental than a physical one.

Jack would be a dull boy only in mind. No thought was given to his physical condition as a result of all work. Nowadays we know that the play is a necessity in order to produce physical health and that the mental dullness will disappear along with the coming of physical well-being.

There is no set of rules on "How to live to be a hundred years old" that does not include abundant specifications as to how much one should be outdoors. Every minute that can be spared ought to be spent in the open air, and the younger set of merchants may well take an active part in outdoor sports.

The great bugaboo of the merchant who is beginning small and with a little help has always been "I can't get away." He can't spend enough time with his family to get acquainted with them because he can't be away from the store. He can't get out to play any outdoor games or to enjoy any of the things that the average mechanic or factory hand can enjoy, because he is tied hand and foot to the store.

Why, I've seen the time myself when I

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thought I oughtn't to take time for my meals and have had them brought in so that I wouldn't miss a single customer. That all had to come to an end in my case or I myself would have come to an end and I dare say many other men are in the same boat, although some of them do not realize it. It was not feasible for me and it is not feasible for you to work, work, work, night and day, every minute the store can possibly be kept open, just for the money there is in it. It is not that method that will make a man a great success. It is that method that will put him in such shape that if he does win success he will not be able to enjoy it.

Success is not to be gained this year or next. It is a matter of many years. We are here for life and we will not be able to make more than one success while we are here. We have all the time there is in which to make that. Let us not try to do two years' work in one, or try to accomplish this year what we ought to take several years for.

Success does not mean fifteen hours a day in the store. It does not require that. It may come in spite of it, but never on account of it, and if it should come it would not be real success. Real success is something more than a

Store Management—Complete

merely coldly calculated bank account. It is enough to live on, friends to live with and health to enjoy the living.

There is no asset that is worth more to a man in satisfaction or in dollars and cents either, than just plain Health! It is the only asset that stands as an asset when it is unsupported. All others; money, land, business, prestige, amount to nothing at all where there is not health to back them up. With all your getting, Mr. Merchant, get Health!

No life work requires so much in a man as storekeeping. The lawyer may develop one or two qualities sufficiently to guarantee him success. The doctor may specialize similarly and the plumber or the painter may gain a reputation as the best in the county without possessing the rudiments of quality in any other than one direction.

The merchant must develop in ALL directions.

There must be integrity; yes, absolute. No store whose manager is anything short of honest can gain a reputation for square dealing with its patrons and hold it. This honesty must be more than technical. It must be more than the honesty that would simply refrain from stealing a man's pocketbook. It must be of the sort

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that would search for and find the owner of the pocketbook picked up on the street or in the store.

There must be energy, enterprise, thoroughness, sincerity, adaptability, self-confidence; a thousand and one virtues, all of them well developed.

A knowledge of the business from the ground up is practically an absolute necessity in the case of the merchant. You and I have known of plenty of cases where men have retired from the farm or the factory or from some other occupation and proceeded to put what little capital they had accumulated into a store, thinking that there at least was an easy job; nothing to do but buy goods and then sell them for so much more than they cost and put the difference in their pockets.

Where are they now?

These men did not grow up in the business. They tried to start in at the top. I do not say that no one could make a success of a business in starting in after arriving at mature years. But I do mean that no man can make much of a success of a business of which he does not know the whole process. He may start in late in life and learn the ropes from the beginning without working up, but this is more difficult and less

Store Management—Complete

likely to make a thorough success than the early beginning.

You who are already in business are older men, men whose traits of character are fully developed. Your gain from this chapter showing the desirable and necessary qualifications of success will be in discovering wherein you are weak and in acquiring a determination to strengthen yourself along that line while there is still time to do so.

You who are young men and yet to enter business upon your own responsibility will get the full benefit by having impressed upon your minds the necessity for the development described.

④ Self-confidence is an important quality in the man who starts out for himself in a business way. People are very apt to take a man at his own valuation. At least they seldom estimate him above his own rating. On this account the self-confident man who can step out into the arena and appear as sure of winning as he is of trying will find many to believe in him with no other reason for that belief than his own assurance.

The appearance of hesitation is often fatal in business. It is fatal in its effect upon employes or customers. When a customer comes into

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your store and asks if a certain article is good, even the slightest hesitancy upon your part will probably spoil the sale. If you are not sure about your goods, you are not doing your duty in studying your stock. You should KNOW what is what; whether each article will bear recommending or not, and then either recommend it strongly or say that it is not of the first quality but good value for the price. That gets you credit for honesty at least.

In that same way self-confidence helps the effect you would make upon anyone at any time. There should be faith in self and an ability to decide quickly what stand to take when an important question comes up. On most questions there is no middle ground, and anyway, the man who looks for middle ground will always be suspected by everyone.

Most of us unconsciously place a limit upon our own business and upon that of anyone else. We figure that under favorable circumstances we could run the sales up to so much but that above that figure it would scarcely be possible to go. Another man with a bigger outlook and used to building bigger businesses would place the limit much higher than we would do, if indeed he placed any at all, and he would get the business up to that figure.

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There should be no limit to one's business ambition.

While one's business and one's character growth ought to be mapped out in advance, there should be no hard and fast set of rules laid down to hamper freedom of selection and action, or to limit growth.

In the case of the development of an employee it is always advantageous to all concerned if he can be made to feel that he is working for himself, not entirely for his employer. On the same principle, in the case of yourself and myself it will be equally advantageous if we can assume the position that we are not working entirely for self, but as much for some higher authority which demands of us the best in every way. Some such attitude will help to prevent the slighting of work and being satisfied with less than perfection.

The man who is assuming control of a business needs to exercise care in venturing lest he go beyond his depth. Better to wade in gradually until accustomed to the feeling of the water and to its depth before striking out to where men have been drowned.

In considering the capital for starting into business or for continuing in it most merchants take account of money values only. They con-

Store Management—Complete

sider cash on hand, notes and bills receivable, real estate, life insurance, etc., and they fail to estimate the value of what is many times the best of the available parts of capital, Ability. The man who wants to borrow money from the bank will often be unable to get it for business purposes, no matter what his signer's responsibility, if he himself is known to have no ability to handle the business he is running.

On the other hand, if he has developed a known ability, that quality will stand for security in the eyes of the bank, sometimes beyond a responsible signer. Authentic sources give the amount of "one-name" paper in the banks of the country as two-thirds of the total. Do you suppose that any of the one-name paper is bearing the names of men who are known to be lacking in ability to handle their business as shown by the results of past managership?

That consideration should deter you from taking unnecessary chances and from venturing when the possibilities of success are diminutive.

Some men, often those who have been the acme of meekness when in a subservient position, become veritable autocrats when placed in positions of a little authority. Authority is a good thing to use with care. It ought not to

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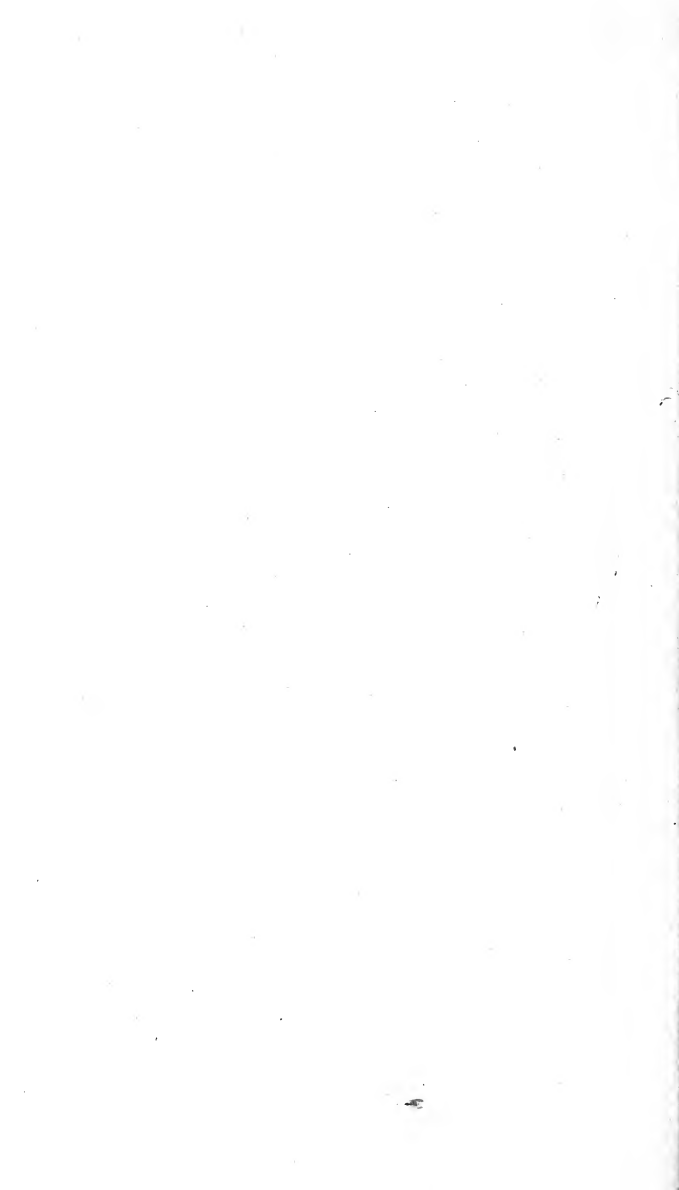
puff a man up like a balloon, for in all probability no one regards him as being as important as he thinks he is. The man in authority should be proud to be privileged to help in shaping the destinies of others, but he should wield his sceptre with care in order not to rap anyone upon the head with it.

The type of employer who gets the most out of his men is not he who drives and scolds them, nor he who depends entirely upon prize offers to incite them to rivalry. It is not the man who watches every move and tries to furnish brains for every individual man on his checker-board. It is the man who is broad-minded and generous with his helpers, taking them into his plans and allowing them to share in the successes of his business. He encourages initiative and studies how he may help each one up the ladder. He commends only when commendation is deserved and he condemns sparingly but frankly. Such a man has his employes working with him instead of merely for him.

If you are the business man who is run by his store instead of running it, you are on the wrong tack. Plenty of merchants go to the wall simply because they are carrying their business upon their shoulders like an inverted pyramid instead of making it carry them at its apex with



*I thought I oughtn't take time for my meals.—
See page 9.*



Store Management—Complete

nothing of the petty and unnecessary details reaching them. For the manager of a store to attend to the minor details that a ten dollars a week clerk would attend to just as well is the same kind of economy as would be used in taking high class, coated book paper for wrapping up such articles as stovepipe and oilcloth.

System is necessary to make a manager's work easy and also to make it possible to get the best results from employes. System is simply order in the place of chaos. There are men who allow help to stand around for hours at a stretch with nothing to do and then proceed to load them up with all the extra work possible at a time when everything else that needs doing comes along. It is possible and proper to secure such a division of work as will equalize it through the day, leaving routine duties and regular store work out of the hours when the rush of customers is most likely to occur.

The systematic man accomplishes the most with the least possible amount of help in just this way. He economizes his own time and the time of everyone whose time costs him money. He keeps his work caught up and the result is that he is never harassed by overdue tasks.

All of us covet advanced position. We want to be at the head of a bigger business either by

Store Management—Complete

making our own business grow great or by changing to another that is great. We look forward to the time when we will be able to step into increased responsibility.

Do we take pains to spend some time each day in fitting ourselves for the advancement? No, we do not. We studied perhaps when we were clerks and wanted to learn enough about the business to enable us to get to be our own bosses, but since that time we have not realized that we could make ourselves worth more money to our own business by continuing to study.

There can be no advancement without new phases and new questions arising constantly to call for decision. In order to be able to meet the new situations successfully we must have advance knowledge of them and this is only possible by studying our business ahead, finding out how it should be run when it gets a little bigger than it is now.

In this way we not only fit ourselves to do our share of the new work profitably, but we are also able to teach others dependent upon us how their share should be done and this is of importance equal to our own individual part of the work, for a chain is no stronger than its weakest link.

Initiative is an individual quality, but its pos-

Store Management—Complete

session is less a matter of chance or environment than of preparation.

Preparation too, by teaching us what to expect, shows us how to meet conditions that require resistance. We are not caught napping by unexpected conditions. Hence we do not achieve failure through lack of preparation which is as much a necessity to a merchant as to the professional man.

In your town and in mine there are merchants who are commonly called enterprising. You know who they are. They are the men who do things, men who are up to date in stock and in methods. They are the merchants who are getting the trade. Are you one of the enterprising men or are you simply following along in the same old rut year after year, satisfied with what you get as a result of routine effort? Any merchant can be enterprising if he will take the trouble, but one cannot be enterprising and easy going at the same time. One cannot seize opportunities with an unenterprising hand.

Lack of enterprise is sometimes caused by self-satisfaction. This is very different from self-confidence. In fact I might almost say that lack of enterprise is self-satisfaction.

The man who thinks his present environment is the best there could be for business and that

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his present methods are the best methods he could use is going to suffer defeat because of his self-satisfaction. He will not take advantage of the new methods that others find profitable because he is a grandfather man. He does things the way his grandfather did them and he thinks that way is all right. It is all wrong and I will guarantee it to produce a first class failure in due time.

Don't be a grandfather man!

The grandfather man is not posted on to-day's ways. He could make an appointment with you for "sometime to-morrow" and keep you wondering all day at what hour he would come. He would get mad at the mistakes of a wholesale house and write them a red hot letter instead of seeking an amicable settlement of his complaint. He would be cross with the man who comes in to collect a bill and he would advertise in a way that would use up perfectly good money without bringing any returns.

You have heard it said of an occasional man that "everything is grist that comes to his mill." Well, such a man may be accused of making use of his friends, but he will certainly get ahead. It will pay you to take note of everyone with whom you come in contact and see that you gain something by the contact. Every man to whom

Store Management—Complete

you can talk about your business will give you, if you work it right, some ideas of value to you in that business. Every man knows more about something than you or I know.

The man who does not prepare himself well for the business he is going to run invites disaster from incompetence. Incompetence is a real rather than an imaginary failing. It is a concrete, rather than an abstract quality. And its fatal effect may be estimated when you realize that Bradstreet lays at its door one failure out of every five. Incompetence is something that the man who will may overcome. He can acquire proper knowledge of business before starting in, or if he finds himself in business and incompetent to carry it on successfully, he can acquire the quality of studying the methods of successful men, by talking with successful men and by asking advice of successful men.

Good business literature is plenty nowadays and there is little excuse for him who does not learn when opportunities are plenty. The merchant who takes two or three good trade journals covering his lines and reads them carefully need not fail from incompetence.

And speaking of failures, Bradstreet attributes more failures to lack of capital than to any other cause. To the man who has got into busi-

Store Management—Complete

ness on borrowed capital, as most of us did, it is absolutely necessary for him to avoid getting out beyond his depth. He must buy sparingly and turn his stock over often. He cannot afford the luxury of a big stock. And if he finds himself overstocked he must waste no time in putting on some special sales that will reduce his tied up capital to a minimum and put more money in the bank.

To the young man, the clerk who is anxious to get into business for himself, one word is necessary. Wait! Go slow and do not embark until you have enough money and enough conservative backing to see you through many a tight place, for tight places there will be in plenty.

The qualities in addition to capital that are necessary to pull a man through tight places are clear grit and determination. A good supply of those two is really worth as much as ten thousand dollars in money, and the ten thousand without those qualities would not last long. Money needs character behind it more than character needs money. With a good business character well developed you can get money, but no amount of money will buy the character.

The man who would succeed as a merchant must be no dilly-dally sort of chap. He must be

Store Management—Complete

a man who would not stand upon the order of his going, but go at once. He must be the sort that Henry M. Stanley was. The *New York Herald* sent word to Stanley, "Go and find Livingstone." Did Stanley wire back, "I don't know where he is"; "When do you want me to go?" "How much will you pay?" "Are you sure he is alive?" or any other question? Not much. He packed up and started—and he found Livingstone too!

The merchant must be an observant man. He must be observant of his public and know their tastes and their needs. He must be observant of individual customers. He must be particularly observant of his help.

Some men are born to command. They handle employes as easily and as naturally as they handle their arms and legs. Other men handle clerks with about the same ease and grace with which a woman handles a snow-shovel. They drag from them by main force all they get out of them.

There is as much reason in a clerk wanting a desirable type of employer as there is in the employer wanting desirable clerks. The right sort of an employer gets out of clerks all the work they can do without their feeling that he is interested in them only for what they can do

Store Management—Complete

for him, and he gives them the idea that he is interested in them from motives of personal feeling rather than merely as an investment.

Courtesy, tact, sympathy; these are all necessary qualifications for the successful handling of men. You can catch more flies with molasses than you can with vinegar and you get clerks more deeply interested in your business by treating them well and by using the Golden Rule in your relations with them than you can by tying a halter around their necks and trying to drag them where you want them to go.

No one man can acquire a monopoly of all the virtues that are desirable in a merchant. No one man will ever be the perfect merchant. It is however worth while to try for it. Hitch your ambitions to a star. High aim is the thing and if you fall short of that which you aim to do, you will at least do better than if you had not tried and you will be benefited by the attempt.

Storekeeping is as great an occupation as any I know. It requires as high an order of intelligence. It calls for prompt action all of the time. It needs foresight, caution, boldness. It demands enthusiasm, optimism and conservatism, all mixed together in a proper degree, and it is such a mixture as no professional man can compound. None but the merchant ever gets

Store Management—Complete

together the ingredients necessary to his success, in the right proportion.

It is mighty easy for a man to let down. Enthusiasm is a quality that will not keep itself up to the highest pitch voluntarily. It requires will power behind it, and that homely quality called "gumption."

It is easy to stop just short of success and many a man has unwittingly done that very thing simply because he got tired. There is no virtue in good intentions. Hell is paved with them. We are not going to be judged by what we intended to do, but by what we actually accomplish, and if we do not keep right up to high speed most of the time, that will be mighty little.

There must be a basis upon which to start, a determination to win and a character back of that determination that will carry it through. There must be enough knowledge of business to make possible an intelligent beginning, and there must be a desire to learn more in order to keep pace with the growth of the demand.

Not every man can be a storekeeper and succeed at it. If you believe that you can, come on in.

CHAPTER II

WHERE TO START

The old superstition that a good beginning makes a bad ending has nothing to do with business. In trade the bad beginning makes a bad ending and it makes it very soon.

There is everything in a good start and there is the seed of failure in any other kind. It is hard enough to make a success of a store with the conditions all favorable. No need of looking up handicaps.

Where shall I start a store or buy one? That is the vital question with the young would-be merchant.

Will it pay me to change my location? That is the question that agitates the mind of the man who finds his trade perhaps slipping away or finds that he is not developing the business as he hoped to do.

If I am to buy my first store, or if I am thinking of buying another in some other location, where shall I buy it and what kind shall I buy? More questions of importance. Also is

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it better for me to start a new store, buy an established business or take up one that is being closed out for some reason or other?

They say that a fool can ask more questions than ten wise men can answer. If that be true, there is no limit to the number of questions a shrewd business man can ask about the conditions for starting a store or re-starting one.

As to location, whether a man is starting a new store, buying an established business or adding a branch, it is all the same when it comes to picking out the place to start or to buy. It is a question of what location will produce the most trade.

There must be in this connection a careful consideration of the class of trade wanted. Also the amount of capital available is important in its bearing.

One thing is certain, the number of people who pass the location in a day is important and it can be ascertained easily with a man and a little numbering machine or numbering stamp—anything that can be used automatically to register units of counting. Hire a man to sit in a window or stand in an out of the way place and keep a record of passers by. This record will form a basis upon which to make calculations. It will gauge the worth of the store windows

Store Management—Complete

and if the record further shows the class of the people who pass it will determine to an extent the class of trade a store there might most easily command.

The mistake should not be made in figuring on the number of passers by of thinking that necessarily the place showing the greatest crowd is the best location. A nearby factory might crowd the streets in a locality at certain hours without making business. The proximity of large stores with many employes going and coming might influence one to his detriment. Quality of crowd is even more important than quantity. A steady crowd, though small, is better than a spasmodic large rush.

In general the best location for a store is in a section where there are many stores. People go to shop where the most shops are. If a man were of the opinion that he would get more trade by having it all to himself and should locate in some place where there were no other stores he would die of starvation. He would not even get the trade of that locality, for the people living next to him would go into the general retail section to buy. A neighborhood store will never be anything but a neighborhood store. For it to become anything else would be moving the mountain to Mahomet.

Store Management—Complete

And in locating in a business section, one should locate in a strictly retail section. A banking office section might do for a small store that wanted the trade of the office men or bankers, but it would not answer to get the general shopping trade. Trade follows the flag abroad, but it follows the crowd at home.

One thing is certain, if you have a location where you are doing a fair business now, you will be foolish to make any change unless you can get just such a location as you have dreamed about. There is no money in changing for something just as good or for something *just a little* better. The cost in money and loss of customers in changing is too great to make that profitable.

The man who is dissatisfied with his location and is determined to move should keep a careful watch for opportunity elsewhere. The best plan is to find what you want and then make your opportunity to get it. Get your mind settled upon a location that is a possibility, not on one that it is a foregone conclusion you never can get, and then bend every effort to secure it.

In going into a new section of the city or into a different city or town the greatest care must be made to study the habits and customs and requirements of the new territory. Because you are able to handle a certain store well and sell

Store Management—Complete

large quantities of certain goods does not argue that a different section will want the same kind of service or at all the same sorts of goods.

The public must be studied carefully to make any store a success, even in the store you are already in, and unusual care must be exercised in getting acquainted with a new trade center.

There are plenty of merchants who are satisfied to let well enough alone. They are getting a good business where they are and they do not care to take any chances in changing and the amount of labor and expense involved in a change is not attractive to them. Of course there will always be plenty of men who are easily satisfied and then too there are plenty of stores that are so situated that they can increase their business as much where they are as in any location they could choose. But the fact that one can succeed on a side street or on the wrong side of the street does not argue that it would not be productive of a bigger success to move. Stores on the wrong side of the street never succeed there on account of the location. They may succeed in spite of it. That is all.

It is ambition that gets a man's ideas above his present business and makes him want to go farther. Ambition is a common thing and works wonders where it is properly handled. If you

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are ambitious, try to give your ambition a little leeway and see what it will do for you in the direction of improvement in location.

In moving, it should be considered that your present location is very likely to be snapped up by someone who would profit by your established position and prestige among people who would continue to drop into the old stand because they did not hear of the change or because they found the location a convenient one. It is up to your advertising to take the trade with you when you move.

Whatever your new location may be, see that the store is made thoroughly modern BEFORE you move in. It is no trouble to have almost anything done in the way of painting and repairs while the store is empty, but after you are in there, it will be a tremendous job to do so simple a thing as to paint up the interior. Better delay moving a year even and borrow more money for it in order to get things right to start with.

The store must be level with the pavement. Its windows must be properly planned. It ought if possible to be a corner store with the windows on the side street. Don't move into a corner store without having side street door and windows. Otherwise you waste a big source of revenue.

Store Management—Complete

You make a change, if you make it, or you locate in the first place with a view to pushing your business along the line of the least resistance. "

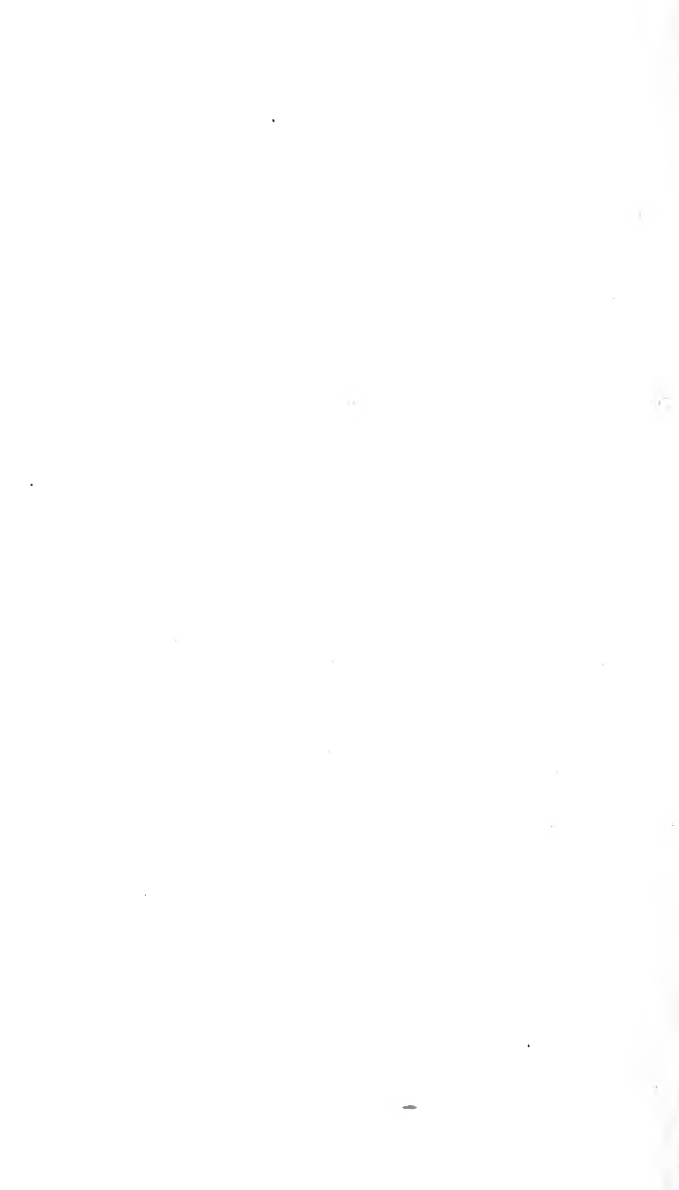
If it is a possible thing for you to handle the financial end of it, when you find the RIGHT location, buy rather than rent. It is cheaper to own your own real estate and it insures your permanent location.

The less experience a merchant has had, the less his qualifications for running a store, the more necessary that conditions be favorable for his business, hence the more necessary it is for him to have a good location. The better the location, the more business he will do while he is learning the business methods and the faster he will learn them.

The conspicuous location is a better trade getter than the inconspicuous and this makes the corner store better and the flatiron location best. A store where it will be seen by people coming from either direction so that its sign will advertise it to every stranger and newcomer, will get trade in spite of disadvantages that will keep people away from a store huddled down in the middle of the block where it is almost hidden from sight between stores of three times its size and has



*Good business literature is plenty nowadays.—
See page 21.*



Store Management—Complete

no opportunity to make its individuality apparent on the outside.

Narrow sidewalks on a street where there is much travel reduce the value of the windows. There is no fun in stopping to gaze into a window with people crowding up behind you and stepping on your heels every minute and no woman will stop there. The busy street should have walks wide enough to give window gazers a chance, or the store front should be indented to make room for them.

The post office in the average town is a good neighbor for a store. It draws everyone with an irresistible force. People have to go to the post office. Other public buildings are a detriment. They occupy a good deal of space and are large, making the store look small, and then they draw very few people into the neighborhood.

One big store will bring more people your way than a dozen court houses even if the former is a competitor.

Look out for overhead viaducts of any sort. Any constructive work present or future that makes the location dark or dirty or attracts any undesirable element will injure business.

On the other hand street railway junctions or

Store Management—Complete

places where many people take the cars attract business. The more transportation lines there are delivering people to a point, the better that point for business. A section around an inter-urban terminal is always a fine location.

In most towns, or many at least, there is a steady tendency on the part of the retail section to move in one direction, as in New York it steadily edges along northward year after year. This condition should always be taken into consideration and if the tendency is a permanent one, it is well to get in at the head of the procession or even a little in advance of it.

The question of whether a man should choose for his business a small town or a large town or city is one that calls for the consideration of many points.

It begins with the fitness of the merchant himself. The man who can make a success of a small town trade will often find that he cannot handle the city business at all. A young man can adapt himself to changed conditions more easily than an older man and will find it easier to increase his pace to fit a more lively section. The man past forty who has always done business in a quiet way may well doubt the advisability of trying to meet city competition. Better a smaller success where he will be happier.

Store Management—Complete

The small town has many advantages and not the least is the fact that prices are apt to be better maintained there and help more easily retained. Also the man who has the ability to grow great can make himself the one merchant of the town in a small place without much trouble or expense when in a city he would find himself outclassed in a race for the actual top by reason of many deficiencies.

There are many ways in which you can improve the location in which your business is at present situated.

Perhaps you are on the wrong side of the street with the best drawing stores in town opposite. You can make yourself almost as much in their section as if they were on your side by making it easy for people to cross to you. See that you have a broad, well made cross-walk in front of your doorway (unless you are in a section where there are many trolleys that no one will cross except in case of necessity). Then keep this walk clean clear to the other side in winter and summer. Don't stop with cleaning to the middle of the street. If the man across the street won't come half way, you go all the way. Keep the gutters clean in winter so that the water won't back up and obstruct the way every time it thaws. If you make this crossing

Store Management—Complete

obvious, it will be easy for people to come over there and they will do it, and more, every woman who wants to cross the street anywhere in your vicinity will come to that crossing.

A person crossing toward you is looking squarely toward your store front all the way over.

It might in some cases and especially on busy days pay you to have a man in uniform to help ladies and children across. This is advertising that is of the most practical sort. Put a sign if you can, saying, "Cross here."

Since you want to attract attention of people who are on the other side, you particularly need to have a sign that will be easy to read from over the way. It might even be possible to have one that would say "It's worth while to cross over here," or "It pays to shop on this side."

A sandwich man who will walk up and down on the opposite side of the street will send some people across if his sign is simple and says merely, "Shop at Stern's" or "Look at the windows across the street."

If there is any billboard space across from you, it ought to be used to your advantage similarly to the sandwich man's sign.

It may be that there is a vacant store or a cigar store window that you can get directly op-

Store Management—Complete

posite you for the purpose, or a little piece of dead wall to be rented. Of course in doing this you ought to make an arrangement that will preclude the possibility of the competitor whose business you harm, getting your space away from you in a few days.

The merchant a little off from Main street has a harder row to hoe than the man on the wrong side. He must keep up a deal of advertising in order to get people to make the trip to his store. He is outside of their regular line of march and out of their sight.

The man on the wrong side of the street or the man on the side street should lose no opportunity to get other stores, especially in non-competing lines on his side or on his street. The side street or the off-side should have an organized association of the merchants doing business there, all of them working together to make their section grow and to get trade to come their way. There is much in organization and there have been cases where the side street has been made into the main business street by organized effort.

If you are around the corner, make it easy for people to get around the corner. Make the trustees of the village widen the walk at the corner and get room for a sign on the corner if you

Store Management—Complete

can, pointing up your way. Get the corner store to put in a corner door so that around the corner won't seem so much like off from Main street.

If there is any existing prejudice against your present location set to work to eliminate it. If your section of the town is being treated unfairly in any way by the politicians in office, get matters set right. See that you are set back by no unnecessary or unfair discrimination.

A careful study of the condition of the business of other stores in any section to which you might think of moving will sometimes reveal the fact that the location is not all that might be desired. If the stores there are making money and you know it, it is a good location, but if they are dragging and keeping up a volume of business by sheer force, then the location is not all that it might be. Something is wrong.

In buying a business, many things must be considered and considered carefully. It is not difficult to see how much stock a store has, or in what condition its fixtures may be. If the books are well kept it is a simple thing to see how much business the store is doing—provided you are being dealt with honestly, and that is where especial care is needed.

It is pleasant to assume that everyone with

Store Management—Complete

whom we do business is honest, but events have shown that there are tricky business men and sometimes men who were supposed to be thoroughly honorable have proved to be quite the reverse.

Taking chances on a man's honesty when it is to his advantage to be otherwise is like going without fire insurance. It may turn out all right, but again it may not.

One should have a thorough knowledge of the business he is buying out and ability to investigate books and accounts in such a way that anything crooked about them will be discovered. It is buying a business of the details of which a man is ignorant that there is the greatest chance of being deceived. The temptation to deceive is greater where it looks easy and safe.

If you want to buy a store and are not absolutely competent to tell whether the owner's statements are honest or not, employ an expert and a good one. Take no chances. You are taking chances enough in starting in business at all without adding any unnecessary ones.

Avoid irritating the owner of a business by a thousand questions that have no bearing at all upon the situation. They harass the seller and they confuse the buyer. Study up in advance what you want to know. Make a memorandum

Store Management—Complete

X of the points you want to cover and then hew to that line.

Get plenty of references and *look them up!* Some men who make it a point to ask all kinds of references in doing business never look them up at all. That may be confidence, but it is not business.

If you are buying a business that is prosperous be sure that you discover the real reason for the owner selling. Many times an excuse given that the "owner is going south," "getting too old," "wants to get into other business" or "has too many outside cares," etc., covers a shrinking trade or a fault that is fatal.

No man is going to sell without reason. Few men will sell a business that is making them money, as much money as they claim it is making. No man is going to admit that his business is a failure because that would prevent it from selling. That makes it necessary for the buyer to take a thousand precautions to see that he is getting something beside a gold brick.

In buying it is just as necessary to look out for the business that appears too prosperous. Sometimes the seller in his anxiety to make his proposition look good will make it look suspiciously good. If the store seems to be selling more goods and making more money than one would

Store Management—Complete

naturally think it should, investigate the more carefully. See that there are no fake sales being made, sales of goods carried through only to make the gross business seem large. Investigate not only how much goods are sold, but also where they are sold, to whom.

When there is any disposition to hold back a part of the financial secrets of the store, press the investigation the more earnestly. There ought to be nothing you cannot know, even down to why, if so, there is a difference in the apparent showing of cash book and bank book.

The other day I saw a business advertised for sale with the statement that in a village of 1,500 with gross sales of \$4,500, the rent was \$600. Rent of the store is something to be considered. There should be no opportunity given the seller to tie you up with an exorbitant rent. The above instance looks as if the man who wanted to sell was anxious to get a rent that would equal the net profits of the whole business. The store that would bring a rent of 13 1-3 per cent. of the gross sales made in it would be a remarkable investment for both parties.

Business is business, we often say. Well, so it is, or should be, and friendship should be laid one side in buying a business. When one's fu-

Store Management—Complete

ture business career is at stake, it is folly to take anything for granted. Get right down to brass tacks and leave nothing to guess work or to the imagination of yourself or the other fellow.

In buying a stock which is presumably in good shape all these precautions should be taken and in buying a stock which the owner is admittedly closing out even more consideration should be given to the value of the location and of the stock which has undoubtedly been allowed to go below par. Unless you know of some good reason for believing that you can make a success where someone else has failed don't buy any dead business. Don't pay money for dead stock anyway.

In the actual purchasing of a business there should be the utmost care to secure a perfect legal title to all the property you think you are buying. Don't pay a man for his fixtures, for instance unless you KNOW that he owns them absolutely instead of having bought them on the instalment plan and not fully paid for them.

There may be consigned goods on hand in the store too. Don't let any such stock go into the inventory. In case where there is any doubt about fixtures or stock, insist upon seeing receipted bills showing payment in full.

Store Management—Complete

If in your state there is any law regarding "bulk sales," see that you are protected in the matter of having to notify all the seller's creditors of the transfer in order that they may protect themselves by security collateral for their claims before you buy.

It is wise too to have written into the agreement of sale the promise that the seller is not to engage in the same business again within certain specified distance or within a certain time. Whatever agreement is made should be in every detail set down in writing, leaving nothing to the imagination. The final bill of sale should be drawn by an attorney.

There are often instances where a good location has proved a Jonah for a number of merchants in succession. Sometimes the right man can make the biggest sort of a success in such a place. However, a good deal of study of the situation is desirable and an ability to size up one's own business-getting qualifications closely.

Reid, Yeomans and Cubit, three young druggists, took up a New York store that had been blackened by a hoodoo for years. The store was a little below the level of the sidewalk and a half dozen men had failed there, but these men could see possibilities and they knew what they could do. They had self-confidence and they

Store Management—Complete

had something to back it up with. They had business getting ability in large quantity. They made good.

In starting a brand new store one should consider many things beside the business possibilities. Personal health or that of family may draw a little line through otherwise attractive propositions on account of city or other location.

If one has a family, their interests should be considered. Are there good schools and educational advantages where one would need to live? Is the cost of living in one place enough higher to offset the extra chances for business profit? Is competition, present and future, such that the buyer's capital is likely to prove sufficient to carry the store through hot times? Is the locality one where a valuable personality can be made to count, or is it one where the merchant's individuality will go for naught with most possible customers?

Everything else being anywhere near equal a man will do better right in his home town where he understands all the local conditions and knows the people, than he will ever do in a strange place.

His money will go farther there and his credit will be better. They say that one should never

Store Management—Complete

buy real estate in any locality as an investment until having lived in that vicinity for at least ten years. That principle should hold good to as great an extent, or even greater, in the case of buying a business.

I believe that the man who wants to start a business for himself will do better in the smaller town if he is an average man with an average, or smaller, capital. There are big chances for development in the smaller places nowadays. Stores in villages of 1,500 doing a business up to \$350,000 a year in general merchandise are not so uncommon.

The man who has from \$10,000 capital up, if he is young and a hard worker and posted on the ways of a small city, will find that field the best, perhaps. The city certainly offers opportunities of some sorts that the village does not offer.

One thing that is worthy of consideration, especially nowadays, is the advisability of getting into business at a point where the chain of stores people are not liable to get under your belt. These people are not troubling the small villages much. The village stores carry so much variety that that kind of a store is not suited to the syndicate idea. Specialty shops cannot be supported well in the village. In the village the personality of the merchant counts for a

Store Management—Complete

good deal and that is a handicap for the trust store idea.

But even in buying a store in the city one may find certain locations that are pretty sure always to be good, so prominent that no competing store of the syndicate sort could take all their trade away.

Not everyone can have such a location, but everyone can try for it and everyone can get the best location possible. Location is not everything, but it certainly makes a great difference, and with some men it undoubtedly makes all the difference between success and failure. With all of us it requires consideration at some point in our career.

CHAPTER III

STORE ARRANGEMENT

A most important thing is the arrangement of the entrance to a store. It is the entrance that is seen by the most people and it is the entrance that may draw them inside if it is attractive and keep them out if it is otherwise.

The entrance must be easy. There should be no hard steps, no steps at all if it can be avoided. The easier it is for people to get into the store, the more of them will come in and the oftener they will come. There are plenty of would-be customers who are perhaps lame, perhaps in poor health, perhaps just plain lazy, to whom the difference of a step-up between your store and the next nearest competitor will make the difference of sending them to the store easiest to enter.

It is an every day occurrence to hear people complain about a step here or a step there in their shopping or business. They resent anything that makes them any extra trouble. This is of course more noticeable in the city where

Store Management—Complete

the public has more done for it than in the country village where inconveniences of that sort are common enough and where people have more time and probably more physical strength.

But under whatever circumstances your business is conducted, there will be more of it if it is easy for people to reach the interior of the store. The store with an easy entrance has always a point in its favor, and many an important purchase is made in a store into which the buyer is drawn by the slightest additional weight of influence. There is a time in the deciding of even the important questions when the weight of a hair will turn the balance.

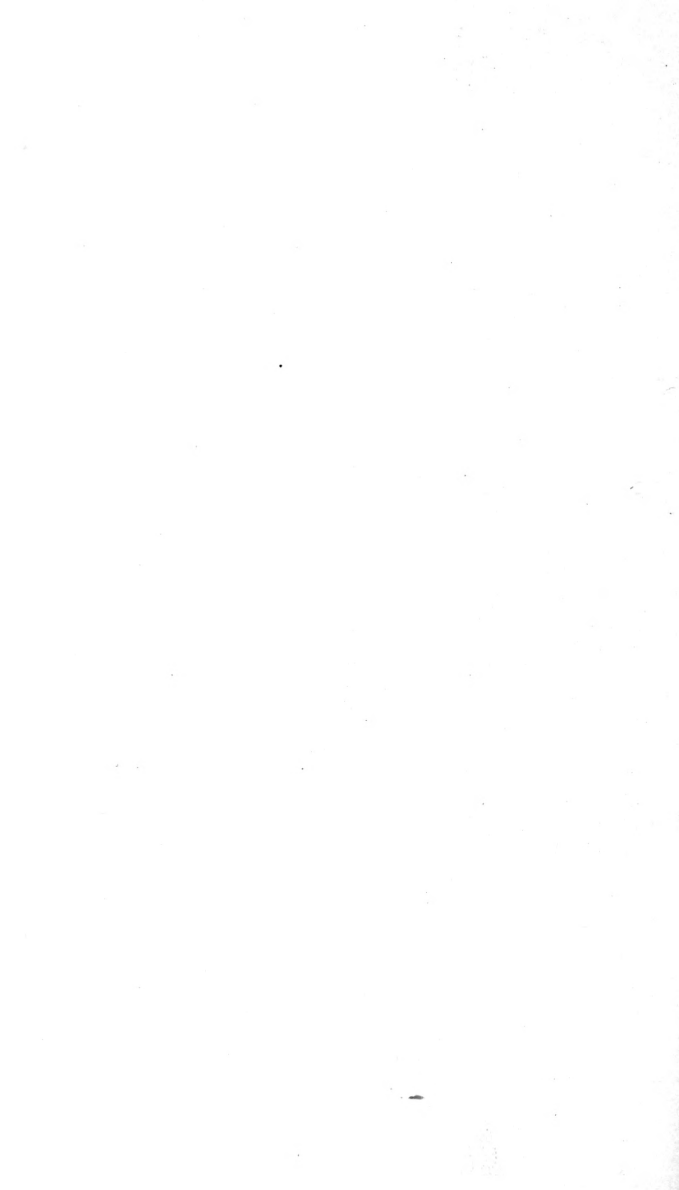
Beside the matter of having to go up or down steps to enter a store there is the matter of the door itself. I know stores where the actual door constitutes a real barrier between the buyer and the seller. It is heavy. It swings hard. The catch sticks or the knob turns hard. Or the doorway is so narrow that people are always getting in one another's way in trying to pass there. The customer will overcome the objection the first time, but next time the purchase will be made next door, where there is no such trouble.

The entrance way should be wide enough for people to pass easily. The door itself should



If your section is being treated unfairly by the politicians in office, get matters set right.—

See page 38.



Store Management—Complete

be as light as a plate glass door may be. It should have ball bearing hinges and should swing at a touch. If it has a knob, the knob ought to turn easily and it should on no account be near enough to the edge of the door so that there is any chance of the person entering injuring hand or fingers or tearing a glove on the door casing. It is often better to have two narrow doors hung in the doorway instead of one heavy large door. A wide, heavy door is often hard for a woman to handle.

And then in the summer there is the screen door. A good many merchants thoughtlessly economize on their screen doors. They make them an infernal nuisance. They squeak or stick or open only one way, or jam your fingers in getting through them. All these objections should be overruled.

Make it easy to get through the door into the store or you are putting a stumbling block in your customers' way.

The entrance way is usually made of the same depth as the windows. This need not necessarily be so. If for any reason it is desirable to have a doorway not as deep as the window or deeper, make it so.

The windows ought to be made of a depth that is suited to your particular line of goods.

Store Management—Complete

In renting a new store you do not have to accommodate yourself to the windows. Have them made to suit you before you move in. A window can be altered in depth without much trouble and the floor of it can even be raised by building a false floor and putting a sign on the glass up to this new floor, using a decalcomania or painted sign on the inside or a wooden or metal sign on the outside.

There is too much making the business fit the store instead of making the store fit the business.

Windows are for the display of goods. Very true. But don't lose sight of the fact that windows are also to let in light. If the window is to be boxed in, using any kind of opaque backing, there should be room above to let in light, but it is better to box the window in with glass, using ground glass or painted glass backing. This answers every purpose and lets light through. There is no light that is quite as good in the honest store as daylight. I believe in a store being more than light enough either day or night. It should be bright, conspicuously bright all day and brilliant at night.

Some recent stores have combined very successfully the lighting and the sign value of a window by using clear across the top of the win-

Store Management—Complete

dow in front of the store luxfer sheet prism glass leaded and set in pane form with lettering set in it in opalescent glass. The result is a high class, artistic sign and more light.

The use of prismatic glass in the upper parts of the windows in front will help illuminate even the long, deep store, and if there is a chance for a side or rear window to help in the lighting, let not that chance go unused.

And while we are talking about lighting I will refer to the artificial lighting problem.

Many plans are followed in many places. What is best in one town is impossible in another. The best kind to use is the kind that will give you the most light for the least money.

The cost of lighting is one of the largest fixed charges against the business. Good lighting must cost a good deal of money, but it often costs more money than is necessary.

The average merchant knows mighty little about the technical principles of lighting a store. He sees a store that looks bright and he adopts the plan he saw there with the result that, inasmuch as the other store had a different stock and arrangement, his lights cost him a third more than they need to cost.

An expert ought to be consulted wherever possible as to the best way to light the store the

Store Management—Complete

most for the least money. You may be satisfied with your light and with the cost, nevertheless I would advise a careful study of the situation and a consultation with any lighting expert who may come your way. You perhaps can save money that you had not thought it possible to save.

There are some instances where the advice of the right man has cut the lighting expense in two and given as satisfactory results as before. Unless you yourself know all about the light proposition, it is safe to say that you can at least have a third more light for the money you are paying each year.

Where electricity costs 15 cents per kilowatt hour that makes a pretty costly light and perhaps you can get more satisfaction out of a private gasoline gas plant, though this latter is always making work for you.

Electricity, where one can afford enough of it, is the best and the most convenient light of course. Tungsten lamps produce the most light for the current consumed and cost on a meter about half as much as the old style lamps. Some form of powerful arc is good to make the big store really brilliant and the newest of these lamps run without perceptible noise and require very little care.

Store Management—Complete

The units of light used ought to be small enough so that enough points of illumination can be installed to make the illumination general instead of excessively bright around the lights and dull in the parts more distant from them. An even illumination is most desirable rather than one that is bright in spots.

In a high room the lights will serve best (if arcs) at a height of about 12 feet. Ground glass globes should be used on these as they dazzle the eye least and diffuse the light best. At a height of twelve feet the sources of light ought as a general thing to be at least 200 c. p. for every 400 square feet—and more light will be better. It can hardly be possible to get too much light, except as the cost is considered.

Inasmuch as the principle of display of goods is so important and the more goods there are displayed, the more will be sold, then there should be no dark corners in the store at any time, night or day. If there are places that the daylight cannot be made to brighten up, then artificial light ought to be used there all day. If it is worth while to have the store *all* lighted part of the time, it is worth while to have it all lighted all of the time.

The dark corners will not sell goods and it will seem self-evident to visitors that the goods

Store Management—Complete

that are tucked away in such places cannot be very salable or important or they would be given a fair show.

Of course the direct sunlight that might do damage cannot be admitted to the store and this is easily controlled with awnings. And let me say right here that awnings that hang so low as to be a nuisance to the passers by are a detriment to the store. If possible, have them high enough to allow a woman to pass underneath without hitting her parasol or umbrella. Keep them up out of the way in wet weather so that they will not drip on pedestrians and spoil their tempers. Also it pays to keep awnings dry because it prolongs their life a hundred per cent. If you must keep the awning out permanently, see that it is very high and goes clear across the sidewalk and drips only into the gutter.

The heating of the store is worth careful consideration. The store that is never comfortable, winter or summer, does not invite customers to linger very long over their purchases. They get just what they came for, nothing else, and make their escape. The ice box or the turkish bath sort of store loses trade steadily.

In winter use enough heat to keep the temperature at healthy height for employes and

Store Management—Complete

the visiting public will be warm enough. This means about 65°. A store too warm in winter is usually too close and gives the employes a drowsy feeling and energy disappears. Just enough heat and plenty of fresh air make the selling forces feel more like work and that means more sales and better satisfied customers.

There must be means of ventilation in order to produce such results. This is true both winter and summer. Simply stirring the air up with an electric fan will not make it fresh or inject any oxygen into it. A fan may help the circulation if there is a chance for outside air to get in, otherwise not. In the summer when the doors are open, fans do help the circulation of air very much.

The well shaded store is the cooler store in summer and there ought if possible to be open windows on the north side of the room. At all events have a store open on two sides to allow a draught to pass through.

Many of these things, which are regarded by the merchant as matters of passing interest only, and bearing upon cash results only casually, are really far-reaching in their consequences. Every advantage a store can have over rivals, counts and is important, even when it concerns only the keeping of the store comfortable.

Store Management—Complete

There are two ways of keeping a store painted up inside. One is to have a general upheaval every so often and displace everything in the store, stop business practically and inconvenience the public and yourself and make a good sized loss to add to the cost of the actual painting. The other way is to keep touching up the paint a little here and there as it needs it to keep it bright, having the work done Saturday nights, holidays or odd times and never stopping business or making any special difference in the service of the store by the means.

You can take your choice of the two ways, but anyway keep the paint fresh. Paint itself is not expensive and in most stores there is some youngster who rather likes to put it on and is willing to occupy himself in that way now and again.

Don't have your woodwork dark, making a general background that will eat up 25 per cent. of the light produced. Use light colored paint in two harmonizing shades, and if you would have the painting kept fresh with the least trouble and expense, avoid fancy decorating that requires expert workmanship and much time in doing it over. White and light green are favorites in store interior decorating.

Some neutral color along the baseboards where there is the most dirt will wear best

Store Management—Complete

and show toe marks least. Light oak is good to use where it encounters a good deal of dirt. A painted wall or ceiling is far easier to care for than a papered one. The steel ceiling is much the best. Papering is a mussy job and new paper lasts no longer, not as long in fact, as paint.

The fresh looking store attracts the women for there is inherent in every feminine breast a love for bright cleanliness of the sort that forces itself upon one's attention.

The floor of a store requires a good deal of attention. It should be of something hard. Maple makes a good hardwood floor. Tile is suitable and if thick and good quality is durable. The tiling that is frequently getting broken is not desirable. There is no way of cleaning a floor that is quite as good as mopping it, and a maple flooring can be mopped almost as easily as it can be swept and if the store is warm, particularly if warmed from below, the floor will dry quickly.

Sweeping takes off the loose dirt and if done with a sweeping powder does not make a dust, but it will not brighten the floor up and make it look fresh. Snow, when obtainable, is one of the best of all sweeping powders. A pile of clean snow swept across the floor keeps down

Store Management—Complete

the dust and does not make the floor perceptibly wet.

Oiling a floor has some advantages but as it results in soiling the skirts of every woman who comes in with a gown that touches the floor, it keeps the lady customers out many times. Also it keeps the shoes of the employees so oiled that they ruin the home carpets, under the dining table, for instance.

The location of the counters and show cases in a store is of the highest importance. Where to put the different kinds of goods is a little problem of its own.

In no two stores can the rule be successfully exactly the same. There should be at the front of the store where they will be most easily reached many of the goods that are wanted by the largest number of customers, especially if they are goods that people are likely to drop in and buy without preliminaries.

In a store that is at all general in character a good business may be developed on specialties bought in that way if they are so placed that they can be purchased without any red tape or formality. Men particularly decline to be bothered with any unnecessary delays and want to be served quickly and accurately. They will step in and buy things obtainable in the front

Store Management—Complete

even of a big store when they would never bother to go to the rear or to another floor.

The more salable the goods in the front of the store and the better they are displayed, the more customers they will bring in and the more of them will be sold to the people who are coming in anyway.

Of course not all attractive goods should be shown right in the front of the store or few people would find their way to the other counters. There should be attractive displays of attractive goods throughout the whole store and they should be so placed and so carded as to lead the customer to make the rounds.

It is probably safe to say that the average store has but one aisle and two rows of show cases, one down each side, with perhaps another across at the rear. In a store of this size, there is little chance to alter this plan to any advantage. It offers the most display with the greatest room for the customers' comfort of any plan. It should always be remembered in planning that the comfort of the customer is of importance scarcely second to that of display. The uncomfortable customer buys less and hates to come again.

When there is more than one aisle through the store, there is no better arrangement than pla-

Store Management—Complete

cing the show cases in parallel aisles, subject to differences in formation due to possible variations of the shape of the store from the rectangular.

The formation of the inside arrangement of the store should be so shaped as to make it very simple and natural for the customer to go farther into the store when once inside the door. The object of the store's advertising has not been accomplished with getting the visitor inside the doors. There must be a purchase, many purchases before the advertising bill can be paid.

The goods that greet a customer's eye upon entering ought to be preferably new and attractive goods, goods that will interest the person who is simply there with a friend or simply waiting for someone. That is not the place for goods that take time in the selling. It is not the place for articles that require abundant salesmanship and a good deal of explanation. The high priced goods that are bought with care and deliberation ought to be located where there is room and where the customer may sit down and be leisurely in the purchase. This will mean more sales of better goods and less snap buying.

There is no use in trying to hurry people

Store Management—Complete

in the purchase of expensive goods. It will simply result in their going home to think the matter over where they *can* be quiet—and you know what it means to let a customer go out when his mind has once been nearly made up to buy. He may come back to-morrow and he may not. Probably he will look around a little elsewhere anyway.

To-morrow never comes.

If you have an upstairs or a downstairs to your store, see that the stairs or steps are made easy. There is as much difference in steps as there is between steps and no steps. Talk over with a carpenter the subject of treads and risers until you know that you can plan the easiest steps for a woman to go up and down. Try steps with $7\frac{1}{2}$ and with 8 inch risers, etc., wherever you find them and learn by practical experiment.

Stairs of any sort ought to be plenty wide enough for people to pass in going up or down. The wider, the better.

Have no crude fixtures and leave no packing cases anywhere with a nail or a sliver to tear the clothing. Keep everything strictly ship-shape at all times.

In the way of special furniture for your line of business, get the things that will help sell

Store Management—Complete

the goods. It is all right to leave the unnecessary things until there is money to spare, but the fixtures that help sell goods pay for themselves in short order. The day has passed when a man can make a success of a business without floor show cases and modern equipment both in the windows and throughout the store.

The principle of keeping every bit of stock under glass is all right in its way. It certainly does keep the goods clean and a row of cases with nothing on top of the shiny plate glass looks very attractive, but this way eliminates a lot of sales made to people who like to prowl around and pick things up and look them over. There are of course some goods that cannot be left where they will be handled promiscuously but there is other stock that is not injured by open display. Show the goods in the ways that make them sell. Take the chance of an occasional article being soiled, spoiled or stolen. It will pay.

In a bargain department, for instance, the sales would not pay the expenses if the goods were not left out where people could handle them. And bargain departments certainly are profitable, even when they amount to nothing more than a small counter of special priced goods.

Store Management—Complete

The 5, 10 and 25 cent goods and combinations of goods have developed wonderful merchandising possibilities and the store that does not try for some trade along that line is losing good opportunities. If you have not been running such a department or counter, try it. Set off a bit of the store for a single counter, or if you want to go in farther and can do so, annex a little extra space and make a bargain department.

The fixtures in such a department are mainly open, double or triple decked tables filled with goods every article priced with its card or tag and nothing left to the customer's imagination. These tables ought to have a little ridge around them to lessen the chance of goods being knocked off.

All irregularities in the store's shape should be made to help in the display of goods. Posts, angles of the wall, corners—all ought to have their special display facilities which are sometimes by very reason of their unexpected nature more valuable than regularity would be.

In the way of shelving back of the counters, don't try to use it too high to be reached. Goods that are to be reached from the floor ought not to be stored higher than they can be reached without a step-ladder or without up-

Store Management—Complete

setting them in taking them down. If you have a space for extra high shelving, it is all right to use it, making an auxiliary place of it and having a sliding ladder for getting to it, but don't make the mistake of having goods stored where no one can get to them without climbing up on the furniture and spoiling it.

The space up high back of the counters can be used for storing extra stock if you need the room. It can be used for advertising purposes, or it can be used with the ladder. If it is left empty, the cobwebs must be kept down and there can be palms placed there to add to the appearance of the store.

There is the advantage in using the upper space for storing goods that it makes the store look as if it had a larger stock. A full looking store is a more attractive place to buy than one in which the shelves look as if the stock had to be spread out in single layers in order to make it go around. A full stock looks prosperous while a one-layer stock looks as if business were poor and capital limited. The public is quick to note such things and to be influenced by them.

A good sized store is an advantage but if it is larger than need be it is the reverse. The stock gets scattered around until it looks lone-



A most important thing is the arrangement of the entrance to a store.—See page 47.



Store Management—Complete

some and the more space the stock covers the more work is necessary in caring for it and in selling it. The well arranged stock which is compactly placed can be handled by a ten per cent. and perhaps twenty per cent. smaller force of clerks. A lot of space in which the customers can walk around is very nice but it is also very unnecessary. Give the customers room enough to move around comfortably and use the rest of your space for displaying stock. It may be that you can concentrate your stock enough to rent ten or fifteen feet off from the rear of the store. The arrangement of the goods should of course be systematic and there ought not to be any trouble in finding what you want. On this account the plan of arrangement ought to be studied with care.

There is a decided knack in knowing how to place the stock to best advantage. If you haven't this knack, try to cultivate it by studying your own and other merchants' stock arrangements

When you want to make more room the place to begin is not in the front of the store but in the store-house or cellar or wherever extra stock is placed. There is almost always room to shove things up together there, or to eliminate some old packing cases, etc. A simple house-

Store Management—Complete

cleaning will usually go a good ways toward giving you the needed space.

In the store-room, wherever you keep extra stock be careful to make the arrangement such that you can tell what you have there at any time without tearing the whole stock apart to find out. For this purpose narrow shelving, just wide enough for the stock it is to hold is far better than wide shelving. On the wide (deep) shelves there is always the chance of the stock getting shoved in behind the rest and lost sight of until more is ordered and that already paid for becomes dead.

This same rule holds good regarding stock all through the store. The shelving that is deeper than necessary merely makes a place to catch dirt, and wastes valuable room. Careful planning of the store and stock will enable you to have your shelves fit your stock closely, each kind of goods having a place where the shelving is adapted especially for it.

In a store that carries a good many light, bulky articles like baskets, tinware or woodenware, much of this may be shown on racks that hang above the counters, high up out of the way. Many things in the way of dry goods can be shown in this way, and nowadays there are special racks for all sorts of goods, from a car-

Store Management—Complete

pet to a briar pipe. Needless to say these racks show the goods to so much better advantage that they soon see enough extra to pay their cost. All kinds of modern display apparatus counts for the man who uses it intelligently.

If you are running the kind of a store that caters only to the so called best class of trade, you may want to keep your store looking like a parlor all the time and in that case you will not want to store any extra stock in sight. It should all go to the store-room, but if you run a busy store, one that looks like "something doing" every minute, then you can store your goods where they will show and help make the store look full. The "best class of trade" store is all right in its way but it never weighs much unless maybe in a large city.

In arranging a stock that is all mixed, care should be used to see that any line of goods that makes dirt or dust in the handling is not next to the other stock that will be affected by that dust. All the unpacking and other dirty work of the store too ought to be done where it will not make the store look dingy. Better carry goods in by the armful from the outside after unpacking than unpack, making a litter in the selling part of the store.

If the goods stored in your store-room,

Store Management—Complete

whether it be in the cellar, warehouse or attic, are small articles they should be arranged in sections with a chart or simple catalog of the sections and their contents placed in a convenient place, tacked to the door perhaps. There should be the utmost care used to see that surplus stock of no item is located in more than one place as such an error is certain to result in re-ordering while there is yet plenty of stock on hand.

As far as possible stored goods ought to be arranged in orderly manner on shelves or in packing cases with labels in plain sight and the same goods ought always to be stored in the same location to avoid confusion.

If you have no stated store-room and have to use odd places around the store, then you certainly need a catalog showing where each kind of surplus stock is stored. A list of this stock may be superfluous to the one man at the head of the store—it MAY be—but it will not be so to the rest of the force, for no employee in a store short of the manager can be expected to keep the entire stock in his mind.

If you think you are short of store-room take a look around with a new point of view. Isn't there room for a shelf over that door, or in the cellarway, or up there in the corner of the

Store Management—Complete

chimney? Some of these places are dark corners, but then some goods are better stored in the dark, and anyway the greatest objection to the dark corners is that they are likely to be dirty and there is really no reason why they should be so. Clean them out and see that the goods stored there are listed on your stock card so that they will not be forgotten. That is all that is necessary to make the dark corners useful.

Many convenient cupboards for use in store-room can be made from old packing cases by sawing them into shallow boxes and putting shelves in them and doors on. The doors on the front may be made of shallower boxes the same size and these may also have shelving in them and when they swing shut, the whole so protected from dust. When the store-room for some of the surplus stock is in the same place with the heating apparatus, the goods must be protected from the dust, and of course much stock will be damaged by the adjacent heat.

It is very inconvenient to have surplus stock stored far enough away so that it cannot be reached easily as wanted. In spite of the utmost care there will come plenty of times when customers will want more of something than

Store Management—Complete

is in the store proper. If the warehouse is not right in connection with the store, this often means a loss of sales. All of the stock that you have your money invested in ought to be available for sale right now if it is wanted. You cannot afford to have it otherwise.

There is space in every store that is not used. This ought to contain surplus stock when it is in a suitable location. For instance, even under the floor show cases there is room in the base for drawers that can hold a good deal of stock that would be right where one could reach it at a moment's notice. In such space extra stock like that in the cases may be stored and then sold from the drawer so as not to disturb the arrangement of the case itself.

I have known of a case where the cellar of a store was fitted up as the exact counterpart in arrangement of the store above. Extra stock was located in the cellar in just the position the selling stock was to be found upstairs. This plan was a great convenience especially for new help but it is not practical in many stores.

In fixing up a store it is well to pay attention to the class of trade expected in it. For instance, it is possible in a farming community to make a store so elaborate that it will drive away the trade it is intended to attract. The

Store Management—Complete

country people will not feel at home in a store that is made as elaborate as possible. To display too much tile, plate glass, mirrors, etc., is to invest unnecessary capital with the effect of reducing instead of producing business. The store should be made to fit the trade it wants.

Conveniences also should be made for the class of customers wanted. Farmers often come in wagons and stop in front and make their purchases without getting out. They ought to have room to stop and there ought to be someone on duty to see that the man who drives up and stops is not kept waiting too long—or at all for that matter.

It pays to have convenient resting places in the store for the farmers' wives and allow them to leave bundles there. They will then get into the habit of patronizing the store that treats them with the most consideration.

All classes of people get into this habit. The treatment of customers is just as important as the goods you give them. They must be made comfortable while in your store and they must be made to feel that you have a personal interest in them, further than the mere dollars and cents value they have to you.

CHAPTER IV

THE BUYING END

Many extravagant statements have been made regarding the importance of careful buying. It has been said that more money is to be made in the buying end than in the selling end of a retail business. It has been said that "Well bought is half sold."

Whatever has been said is in a large measure true, not literally true perhaps but approximately true.

Good buying shortens very appreciably the road to success.

One of the first and most important things to be considered in buying is whether you need the goods or not. It is easier to over-buy, easier to keep the stock up than it is to keep it down. No matter how closely the goods are bought or how carefully they are selected, if they are not needed, they are adding to the expense of store maintenance and helping to produce an accumulation of what is sure to be dead stock.

Modern merchandising methods recognize the

Store Management—Complete

importance, the absolute necessity of keeping the stock down to the lowest possible investment and turning it over as many times per annum as it can be turned.

The man who attempts to keep his stock of suitable dimensions by the guess method is all wrong, no matter how small a store he runs.

If your stock consists of but one single item, carried in but one single size, you need a system for keeping track of how much stock you have in order that you may know when it is necessary to reorder to prevent getting out.

The best method of keeping stock is by means of a stock book or by a card system. The card index system is better than the book because it is perpetual and as different lines are thrown out the cards may be thrown out while in a book the dead lines are still there in the way. A loose leaf book might answer as well as the card system.

The card index should perhaps best be kept by the cash register, the cashier's desk, or at whatever point each salesman needs to come with each purchase, and he ought to take time unless with rare rush exceptions to make his card entry at the time of sale, otherwise it is very likely to be forgotten. The time to make any kind of a memorandum is NOW.

Store Management—Complete

In this card index the stock may be listed by its location in the store or by its character. By dividing the stock into its proper subdivisions each division need not be large and the individual item can be found, with a little experience, in an instant.

The card should show the stock in hand a certain time of inventory and it should show the amount of new stock received whenever any is added. It should show stock sold.

Inasmuch as it is often impractical to make notes on a card or in a stock book of each individual sale, the subtractions of stock may be made, if preferred, in the form of entries each time that a new original package is opened, or a new box or case brought out of the reserve stock. This will show then at a glance the amount of reserve stock on hand while the shelf stock is always known to be limited.

A variation of this is the plan of keeping a separate stock book or small card index of each section of the stock or each set of shelves, each individual sale being entered in this when made. This plan is especially adapted to forms of stock that amount to but limited supplies, all of which is kept right on the shelf from which sales are made.

A simpler plan, and one that is more univer-

Store Management—Complete

sally followed, is the Want Book. The writer has personally followed the Want Book plan in a miscellaneous business, with three salesmen and found no difficulty in keeping stock up, though this plan necessitates the manager's following every line of goods closely and personally inspecting stock frequently, with regular searches for short lines that may have been overlooked in sales-making.

Many individual merchants have devised plans better adapted for their particular stores than anyone else can recommend to them, but in all the application of a certain general principle should be recognized. The stock plan must show how much of the goods is on hand and how fast they have sold recently, in order to be an accurate guide for re-buying.

A well kept stock book or other system makes the inventory a simple matter and if sufficient detail is followed, it will be possible to tell at any time what the state of the entire stock is and what the profits of the business are amounting to weekly.

While I urge constantly the desirability of keeping the stock down I do not want to over-emphasize this point because it is self-evident that if we do not have the goods we cannot sell them and the stock must be kept up, not

Store Management—Complete

only as to variety but in some degree also as to quantity.

You must be able to supply the demand by having the article in question and unless you carry a proper sized stock in all lines there will be many opportunities lost for making quantity sales. The buyer should keep posted on the lines that are likely to sell on occasion in large quantities. No store can afford to send customers away for lack of the goods. That means a loss of the profit on the sales and possible loss of the customer.

Almost as important as when to buy is what to buy. Perhaps it is more important.

Buy goods for which you have a demand. Don't be cajoled, inveigled or bamboozled into buying goods for which there is no demand, goods which are "*going to sell big.*"

Stand pat on the new goods propositions and if a manufacturer wants you to stock a new line for which the sale is yet to be made, let him carry the stock. If he has faith in his goods he ought to be willing to carry the stock for you until the demand that he promises really opens. If he has not faith in his goods and does not care to do this, then it is reasonable that you should doubt him. Of course there are cases where a manufacturer of known re-

Store Management—Complete

pute produces a new brand or new line and tells you that he is going to make it sell and explains the campaign he is going to follow. You are usually safe in buying such a line because the seller will allow you to exchange the new goods for the older and already selling lines he makes if the new fail to move with you.

At all events bear in mind that the man with a new line of goods to be introduced should make very favorable terms. He is the one who should take the chances, not the dealer. You want to take on any new lines that will sell but you already have enough of the sort that do not sell.

The dealer who is to be a good buyer should never hesitate about buying small quantities. If you cannot buy in the quantities that your business requires, there is something wrong with the house from whom you buy.

Two very important objects are accomplished in buying in small quantities as wanted. One is that the goods are always new and fresh. The other is that you keep far less money tied up in stock. You turn your stock oftener and make more money.

Of course the quantity discount is attractive and there are many cases in which it is really worth taking. Also freights must be consid-

Store Management—Complete

ered. But when all advantages of quantity buying are considered it will be found that many times it pays better to buy what you need as you need it.

It frequently occurs that some traveling man will come along with a proposition that you take "the quantity" of certain goods and you will be given so much free goods and so much advertising matter and so much window display.

There are times when this proposition calls for your acceptance and there are many times when it calls for rejection. It is a large part of the secret of good buying to be able to know what to buy in this way and what to buy "as wanted."

Each individual proposition should be figured out. A careful estimate ought to be made of the net results of the "quantity" proposition as against the other way. And listen to the voice of good judgment rather than to the voice of the salesman whose interests are largely in making large sales.

In this connection it is well to consider whether it does not pay to do a good deal of buying by mail.

In staple goods which the dealer knows well

Store Management—Complete

and knows how to order intelligently — and what line does that not cover? — there is much advantage in ordering by mail.

In ordering habitually this way there is no waiting until a salesman arrives. One orders when he needs the goods. Further, he orders what goods he needs and there is no one standing at his elbow urging him to buy more of this or to make this quarter dozen into a half dozen or to make this a case instead of a half case.

Of course I know that it is to the salesman's eventual advantage to sell a man only what he needs in order not to load him up and prejudice him against the house. It is perhaps more to the advantage of the house than to that of the salesman, for it must be remembered that the salesman wants to hold his job. He wants to make a good showing, or he wants to increase his commission and to him, as to ourselves, a bird in the hand is worth two in the bush, so with all the good intentions in the world he is sure to sell you more goods than you would ever buy if you were writing the order in the presence of no one but your own good judgment.

You sit down and write a quarter or some-

Store Management—Complete

times a twelfth of a dozen very cheerfully when you would not have the courage to mention so small a lot of some goods to the drummer.

And more than this, if you are a busy man, and there is no reason why you should not be so, your time is worth money. There is something you can always be doing to occupy your time to your greater profit or to your greater enjoyment than in sparring with a traveling man who is trying to get under your belt with some extra proposition.

You can sit down and write an order in time that suits your own convenience, not that suits the convenience of someone with a train to make. You choose your own time, time which you could not be using to better advantage and you write the order and post it in just about half the time it would take to get down to business with the drummer.

Now, I have nothing against the traveling salesman. I like them and they are full of good ideas — some of them. Others I find are mere peripatetic slot machines or phonograph records and you find them less informed upon your goods than you yourself are.

No traveling man who behaves in a gentlemanly way should be treated with anything but courtesy. He is in the business of selling goods



And bargain departments certainly are profitable.

—See page 62.



Store Management—Complete

just as you are. You owe it to yourself and to him and to your business to treat him pleasantly. But you do not owe it to him to spend any more time with him than you wish to spend. Neither has he any right to feel offended if you say that you are busy and ask to be excused. Some salesmen act as if they had been grossly insulted if a dealer declines to give them time to show him their line—assuming that they know better than he whether he is in the market for any kind of their goods or not.

The traveling man who gets “sore” because he is not given a chance to use up your time when you are polite about asking him to excuse you, is entitled to nothing but a snub next time he comes.

Be decent to the drummer. Visit with him if you want to, and if he has ideas, get them, but don't give up to him anything that you don't want to give.

There is some advantage in being able to buy in person right in the market. It is always better to buy from the goods themselves than to buy from hearsay or from picture. There is though one disadvantage that accrues from buying where the stock itself is shown. In buying from stock you virtually agree to take the goods as the stock runs. In buying from

Store Management—Complete

an agent's sample, you are entitled to goods all of which are up to the sample and in buying from a picture you are entitled to stock that all the way through matches the description.

Still if one can buy "in the house" one sees how the goods look as he will get them. He sees many things that would not come to him through the traveler and he sees all sizes and grades instead of only representative samples. If he buys unintelligently it is his own fault, while buying wrongly at home may be the fault of a salesman or of a deficient catalog. Avoid accepting expense money from a wholesaler under such circumstances that you will not feel perfectly free to follow your inclinations in buying.

One thing is certain, it pays to go to the market as often as possible in order to see what is going on in the larger retail centers as well as to get into closer touch with the wholesale market. The retail stores in your line should be visited when you go to the city just as certainly as you visit the wholesale houses, and of the two preferably neglect the wholesaler.

One keeps in touch with the market better if he does not confine his observations to the wholesale side of the trade entirely. For the man who can get to the market but infrequently

Store Management—Complete

and who must depend upon his own judgment very largely, there is the greatest value in the trade journals.

Personally I have found trade journals exceedingly useful and reliable. I would far rather depend upon the trade journals and mail ordering than upon the traveling man. The trade journal holds no brief for any one concern. It is open to all. It is just as much interested in getting hold of good new things about which to advise its readers as its readers are in hearing about the goods. It will keep any retailer posted if he will give it a chance. And I would recommend reading several journals, one for each line of goods carried. Money invested in such papers is productive of the best return you can get for so small an investment.

In no part of the management of the business is accurate knowledge of its details as important as in the buying.

The man who buys must be pretty nearly omniscient. He must know all about everything. He must know qualities as well as salabilities and he must know the market from A to Z.

He must know enough about bulk goods to make it unnecessary for him to pay about

Store Management—Complete

double the price for a maker's name in order to be certain of quality. He must be able to tell quality when he sees it and thus get it at the bottom figure.

Speculative buying is well left alone by the man who is at all short of capital. It is hazardous at the best and its extra profit often turns into a loss before the dealer can realize upon his goods.

Leave the speculative buying to the man who has plenty of money and can stand a loss. Speculation of any kind involves the possibility of loss, otherwise there would be nothing speculative about it.

The buying club plan is one which is susceptible of further development in towns of all sizes. In cities particularly retailers may well combine to buy to their advantage, thus getting quantity prices without having to stock up beyond their needs. If you do not want to unite with your competitors, you can often find some kinds of goods which dealers in other lines will buy with you.

They talk about doing away with the jobber. It can't be done. The jobber is a necessity. Nothing else can take his place as a medium for assembling a large variety of small order goods. Still it pays to get in touch with the

Store Management—Complete

manufacturer when possible. The price you will pay the manufacturer may be the same as that paid the jobber but the hustling retailer who wants the help of the advertising manufacturer finds that he gets more of that help if he buys direct and gets into personal touch with headquarters. In that way he gets more assistance in the selling and is recognized as an individual distributor rather than merely as a member of an army of retail outlets.

In buying for future demand the greatest care is needed. One can tell how much to buy of a certain article that is selling every day, but it is more difficult to know how much to buy of an article that is to be seasonable for a month or two or three months in the future.

Records of past seasons should be looked up and a careful estimate made and the temptation to plunge held down. Plungers are never sure winners.

Avoid buying on commission or having stock left in the store on consignment unless conditions are very exceptional such as the introduction of new goods. Such stock becomes soiled and unreturnable. It becomes misplaced and has to be paid for when it is not sold. It has to be insured by the merchant carrying it in his store and he takes all the chances except the

Store Management—Complete

investment and there is ordinarily little advantage gained by the arrangement.

In buying by mail or any other way, always keep a copy of your order, preferably a carbon copy. This is your insurance against "stuffed" orders, altered prices, unspecified conditions and terms, etc.

When the traveling man hands you an order to sign, see that it is made in manifold so that you get exactly what you give him. And by the way there are many objections to signing orders in spite of the prevalence of the custom. Anyway sign no orders that have not a duplicate for you underneath. And save the duplicate for reference. Follow this same plan in buying in the house. The conditions are the same.

When you send a mail order, slip a carbon sheet under the order blank and make your own duplicate. Get special order blanks from all the houses with whom you do business frequently. Keep these and the printed addressed envelopes that they will also send you on request in an apartment of the desk where they are easily available.

By using these forms and envelopes you save time and stationery and also labor, since it is easier to put an order on a special form than on a letterhead of your own. A good plan

Store Management—Complete

though more expensive is to have order blanks of your own made in quantities in uniform size on light weight paper perforated so that you can file them in a loose leaf binder. This plan enables a merchant to keep a perfect record of all orders and to keep it in compact form. The duplicate sheets should be of thin paper so that many may be filed in small space. Yellow tissue unruled is suitable and very cheap.

The best order form is the one that makes it the easiest to write the order and at the same time embodies all the necessary information. It should have the name and address printed in, also shipping point, and it is wise to insert the clause, "Report on all goods short on this order and cancel the order for same unless otherwise directed below."

Sometimes the direction is used, "If no shipping instructions are given, ship by cheapest route." It is well to have a small blank space on the order for "Terms." Insert here the terms you expect.

Don't buy more goods than you can pay for whether you need them or not. Because there is a long dating on a bill don't forget that the bill will come due just the same and have to be paid. One merchant known to the writer made and followed the rule never to send an

Store Management—Complete

order for goods that he had not then and there the money in the bank to pay for. This rule is a good one but it would hamper a merchant decidedly unless sometimes honored in the breach.

Credit is simply belief in your ability to pay. A man may have no rating and no property and yet have credit. On the other hand he may have both property and rating and possess poor credit because he is slow pay, or because he is lacking in honesty.

Nowadays a man's honesty is considered of as much importance as his capital. Many a young man with ability and a good record can get credit where a man with more money and a bad record would be turned down. Never repudiate a debt and don't haggle about any kind of a claim and you will have no trouble about keeping your credit good.

Of course it is wise to establish a rating with the commercial agencies even if you are having no trouble buying goods without giving them any information. Tell them a straight story. Give them nothing but facts and take pains to be courteous about it and explain at length anything that looks as if it might count against you. Impress them with your good intentions and with your ability and your energy.

The ability to get business is something that

Store Management—Complete

the commercial agencies may not put into their regular reports, but you may be sure that it will go into any special report that is called for on your standing.

The honest man has the advantage all along the line and the credit men of the country know who is honest and who is not with few exceptions. They take few chances and allow few favors to the man whom they consider tricky in any degree.

The man who is anxious to maintain a high grade of credit must use every precaution to observe the terms upon which he buys goods. He must have his check in the creditor's hands at the moment it is due if not before. He must never allow himself to trust to good nature to allow him a few extra days. He must not seek cash discounts when his remittance is a few days overtime in reaching its destination. Ten days means ten days. Don't expect that you can violate the terms of the contract of purchase without leaving an unfavorable impression.

Your jobber may overlook your little delays in payment from time to time, but when there comes a day in which you want some additional favor in the credit line you will be looked at askance if you are the kind to be always a little late in paying.

Store Management—Complete

Always take your cash discounts if they amount to more than you are paying for the use of money with which to do business. Better to borrow money at 6 per cent. than to throw away a 1 per cent. ten days when the bill is net 30 days.

In making remittances the voucher check is coming into common use. Receipts are becoming more and more obsolete. They use up postage and time at both ends of the route.

Adopt a neat, concise form of check with enough blank space on the left-hand end to allow of an entry of the dates and nature of the items for which the check is drawn.

The best way to handle incoming invoices to make the least book-keeping is to remit for the goods as soon as they have been checked off on the invoice, entering on the check the date of the invoice for which it is payment, together with the deductions in the nature of discounts or other allowances.

Of course it takes a little more money to pay bills at what may be virtually five days instead of ten, but the difference is not much. With this plan all that is necessary is a desk pigeon-hole into which the incoming invoices are placed and the ones to be paid taken out each day.

Store Management—Complete

With this plan there is no book-keeping at all on bills payable.

If it is necessary or desirable to keep a record, the simpler it is, the better, and all that is needful is to register the data about the invoice in a "Bills Payable" book and make its payment automatic by checking payment days on the calendar. This is of course chiefly necessary when it is advisable to let bills run their full time, as one could not keep track of a pile of invoices covering thirty or sixty days' time and filed in no more convenient form than being placed together in a pigeon-hole.

Whatever plan is followed it should be simple and as far as possible automatic in its working, making it unnecessary for the merchant to carry the individual invoices in his mind. The daily memorandum calendar pad is so common on every man's desk nowadays that it serves as a "tickler" by putting the desired memoranda upon its pages in advance so that when a leaf is taken off each morning the financial obligations of the day confront one at once.

Routine in the ordinary, every day duties of the business makes things run more smoothly. What becomes a habit requires no special endeavor.

Store Management—Complete

It will be seen that the buying end of the business, regardless of how much money it may save or make, is of the greatest importance and requires extreme care in every detail from the beginning of the need for the goods until the check in payment for them has been mailed.

CHAPTER V

THE STORE POLICY

The policy of the store is what makes people like or dislike to trade there. And according as people like to trade in a store or not, that store will be a success or a failure.

You are running a business that is paying you well and you get fair prices for all your goods. A new store opens that cuts the prices on your lines of stock, or on some of them, to make leaders and get the people to come in. You say "I'm not going to pay any attention to that fellow." You tell your customers who ask if you are going to meet his prices, "No, we won't sell goods below cost for anybody. If that fellow wants to do business for fun, let him. We are going to have a profit on our goods or we will keep them."

What will be the result of that policy? It plays right into the new man's hands. It is the best that he could hope for. It is just what he wants. It helps him to get people into his store and it keeps them coming there because they

Store Management—Complete

can save money by it. They go there to save money on a few items and they end by buying other goods and in some cases at least will become his customers.

That is a mistaken policy. As far as the public is concerned and as far as they know about it, your policy should seem to be "We will not be undersold." It may be that you do not want to meet such cut prices and you need necessarily do it to any great extent, but the public must be made to think that you are game.

Do not make the mistake, unless exceptional circumstances warrant it, of counter-cutting, going below the other fellow, for he will simply go on down. He has come to town to get business. He has adopted the cut price as his chief weapon. He at least cannot afford to be undersold. One of the best ways to meet this newcomer with his axe in his hand is to send direct-by-mail advertising to your mailing list, offering the goods he has cut on at the same prices as his and doing your best to make it appear that you yourself are the originator of the bargain rates.

At all events sell what goods you must of the cut price articles at the prices he has made, for the public must not be allowed to gain the impression that your store stands for high prices.

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Aside from the store's policy in the matter of prices there are almost countless other matters wherein a definite plan should be adopted and followed. Adapting the policy to suit the people calls usually for sacrifices in the way of better prices, more expensive methods or greater effort to be polite and courteous. All these things are worth the trial and the expense because they all produce results. They get trade.

Just the little matter of the way in which customers are greeted when they enter the store is important. And the policy in this line is not what one employee does, for one swallow does not make a summer, but it is what all do, what the impression of the force as a whole may be. As a matter of fact the employees of a store are pretty apt to average a good deal alike in matters of routine work. One who stands very far above the rest will soon seek a better field for his talents if the average is low in his present place.

There are stores where no one is really greeted in the true sense of the word — customers being spoken to only when they speak to a clerk. That sort of treatment, or lack of treatment, does not warm one's heart very much toward the store. What we like ourselves when we go buying is to have someone greet us cordially when we enter

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the store and act as if our coming were appreciated and as if we were really welcomed. And we like it when we are called by name. The store where they speak only when they are spoken to is doomed to disappointment in the matter of annual receipts.

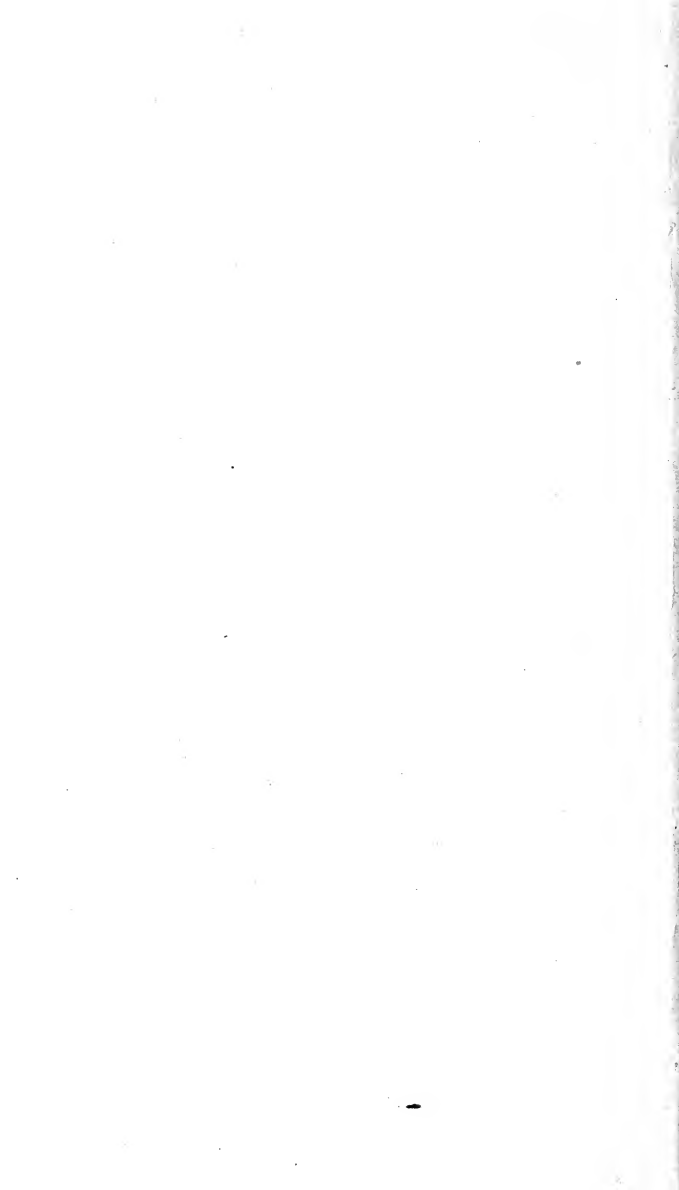
Politeness or courtesy is a cardinal policy. In fact it might be said to be the basis of all good store policy. Courtesy is merely the practical application of the Golden Rule and as a groundwork for a good store policy no one has yet found anything better.

It is the new visitor to the store who should be given the limit in the matter of polite attention. The stranger may be merely a transient, with no chance of becoming a regular customer, but also the stranger may be a new inhabitant of the town whose trade might become the best of any one family's trade. You never know it and it is not worth while to take chances just because you think a visitor is a transient. Anyway, the veriest transient will buy more while he is in the store if he is treated well, and when opportunity offers he will go out and give the store a better name.

It has always been said that "Honesty is the best policy" and I believe it is not denied. Of course the general term Honesty covers a multi-



The guess method is all wrong no matter how small a store he runs.—See page 73.



Store Management—Complete

tude of virtues, and the kernel of many of the policies that we discuss from time to time is nothing more than good, old fashioned honesty. Whatever policies you adopt, see that they are based upon honesty, or at least that there is in them nothing that violates that cardinal principle.

One of the matters of policy that has been discussed pro and con for a long time is that regarding the money-back-if-you-want-it proposition. There are a good many merchants who will not do business on this plan. They say they can't afford to, or it doesn't apply to their line of trade, or they don't have to sell goods that way, or they make some other excuse for their attitude in the matter.

As to your attitude in the matter I believe that I am safe in saying that whatever other merchants may think about it or whatever they may be able or unable to do, you can give people back their money when you think they ought to have it and you can make money by doing so.

The customer who has bought something from you that has proved unsatisfactory will either be a friend or an enemy of your store according as you make the purchase good or refuse to do so. That customer may say nothing to you about the matter, but stop trading at your store

Store Management—Complete

and go elsewhere, complaining about the quality of the goods that turned out badly. In that case there is nothing that you can do. It is too late. By establishing a reputation for not being willing to make wrong right you have kept that customer from coming back to give you a chance to make good.

People know what your policy is about refunding money without coming to ask you. The news of one time when you refuse to give back a purchase price will spread faster than the knowledge of ten times when you did make good.

The best policy to pursue is that of making the store's attitude plain at the time of the purchase. If the goods sold are of a kind that you do not want to guarantee, don't leave the fact to the customer's imagination. State with the purchase that the goods are not warranted in any way. A printed statement to this effect on the goods or their wrapper is not sufficient. Let the salesman TELL the customer in so many words. The plain statement of this condition in connection with certain grades of goods will often lead to the sale of something better that IS guaranteed.

The policy of every store should unqualifiedly be that of refunding money on goods that have proved unsatisfactory. Let the exceptions be

Store Management—Complete

amply covered when the sale is made in the way above mentioned.

As a matter of fact the customer is entitled to money back on a purchase that has proved to be worth less than the sum paid. And also as a matter of fact, mighty few are the customers who come back and ask for their money unless they are really entitled to it, or believe they are.

The money back does not always take the form of an actual payment of cash. An exchange may be made, allowing something for the returned goods. Or the goods may be returnable to the manufacturer in the case of defect. Many circumstances may influence the results. But I believe that there is not one instance in a hundred, perhaps not one in five hundred, where it is wise to refuse to refund money if it is asked by the customer.

In my personal experience the following happened which will show the extent to which I believe a dealer ought to go in refunding.

A customer brought in a defective hot water bottle that she said a member of the family had bought from me some months before. She said the bottle was sold on a year's guarantee and that it had not worn that long.

I believed in the honesty of the customer, but I knew the water bottle was of a brand I had

Store Management—Complete

never had in the store. I explained this to the customer, but she said that she was positive that the goods had come from my store, so I gave her a new bottle for the old one and she went away happy. A few months after she came back and apologized. The hot water bottle that had actually come from my store had turned up and the other was found to have been a cheap one bought elsewhere. The customer made good the amount and naturally that family will not go back on the store that made good when they did not have to do so. If the customer had never discovered the error, as you suggest might have happened, I would still have lost nothing, for I would have retained the trade of the family, whereas if I had refused to make the purchase good I would have lost them at least until the mistake was discovered.

Such a case is extreme and if the article had been one which involved a good deal of money, the purchase could have been traced back in such a way that I could have satisfied the customer that she was wrong. Such a mistake would not occur except in the case of low priced goods.

The matter of a policy regarding the return of goods requires much the same consideration that the "money back" policy receives. Certain goods cannot be returned under any circum-



Store Management—Complete

stances. Very well. Have that understood when they are sold.

Other goods are sold frankly "on approval." Let that be understood in advance too. You want to get all the benefit you can from selling in that way. The way to get it is to advertise it.

Goods brought back because of defect or dissatisfaction ought to be given treatment that will suit the complainant. Don't let a kicker go away feeling "sore."

Another important policy matter is that of the pushing of what the general advertiser and manufacturer calls "substitutes"; in other words, goods that are similar to his own and sold on a demand of something different in name.

There is no doubt that the retailer has a right, both moral and legal, to sell something different from the article called for if he has the salesmanship to do it. No retailer is going to stand with his mouth open and see a prospective buyer go out without effort to stop him just because a certain brand of generally advertised article is not in stock. "Have you Muggin's Mush?" No Muggin's Mush in stock. There is a chance to sell Miggin's Mush instead. Will you let the chance slip by? Not if you are "onto your job."

Store Management—Complete

If you don't have what the customer wants, try to sell him what you do have, but in the name of all that is tactful, be careful how you go about it!

The wise merchant nowadays tries to carry a pretty fair line of most of the goods the manufacturers are advertising everywhere, and he does his best to utilize the willing co-operation of the manufacturer in making these goods sell. He may have his own special lines, but he stands ready to give the people what they want and he encourages his clerks in trying to sell his brands in the place of others only when there is no danger of offending the customer by doing so.

The public knows what stores customarily try to sell them something "just as good" and never have the goods called for, and people who find a store short of the standard lines of goods soon get into the habit of going elsewhere. It is good policy to have special lines, individual lines and to push them properly, but it is mighty poor policy to push them in such a way as to get the reputation of never having what people want and always offering a substitute.

The object of a policy is more to hold trade than to get it. People are likely sooner or later to try a store which has a known bad policy, but

Store Management—Complete

they are not likely to come back to try the store a second time.

It should be a matter of the store's policy to try hard to please the people who are hardest to please and never to rub them the wrong way. The cranky and finicky customers when they ARE suited are the best kind of customers a store can have in the matter of the advertising they will do for the business.

Some stores make it a rule never to cash checks for their customers. Most stores do cash them where they are acquainted with the parties and find that it pays to be thus accommodating.

It is probably wise to rule that no checks be cashed except under the supervision of the manager of the store. This makes it possible for clerks to avoid taking up paper without a knowledge of the parties concerned and it relieves the clerks of personal responsibility in the matter. There are many times when there is no advantage in a store cashing a check. This is true in the instance of strangers in town who need money when the bank is closed. The only thing one gets in cashing their checks is a chance of losing. It pays to cash checks for customers, but it does not pay to cash them for people who

Store Management—Complete

are not in a position to produce any revenue for the store.

Another matter of policy in the handling of cash refers to changing money as an accommodation and to carrying enough change to do business with. Of course big stores have plenty of currency on hand for all purposes, but many a small dealer keeps his cash so low that he cannot change the ten dollar bill offered by a customer without going out after change and he is never in a position to make change as a mere matter of accommodation.

It is aggravating to be bothered time and again with requests to "bust a five," but I believe that it pays the smaller dealer to make it a point in his policy to have enough change on hand to accommodate people who want the accommodation as well as to make change when making sales.

One important thing in this connection is the matter of politeness and the store that cannot change a bill as a matter of accommodation and do it in a way that will make a friend for the store, or increase the friendship of a customer might as well not make the effort, for to do a kindness grudgingly is to do no kindness at all.

No store but needs friends. Friends are what make a store succeed and friends are mainly

Store Management—Complete

gained by the little extra courtesies rather than by the mere dollar for dollar value.

In connection with the store telephone there is a matter of policy that is rather important. This policy embraces all features of the 'phone's use from that of receiving orders to that of lending it for a few minutes to a visitor.

In some stores you are not allowed to use the telephone at all, and this is better than to be allowed its use with a grudging assent.

In some stores they do not seem to want any telephone orders, if one is to judge by the treatment one gets over the wire.

"Hello, is this Brown's?"

"Yes, what d' y' want?"

No courtesy in the words and none in the intonation. A verbal snap-off of the inquirer's head.

If possible the telephone should be answered by someone who has a reasonably pleasant speaking voice and a civil manner. There should be just a little more courtesy over the telephone than there is right over the counter, just as one must use more care transacting business by letter. Many things which may be said directly, face to face, cannot be said in the same way, or perhaps at all, by telephone or in a letter.

Telephone orders may be made an important

Store Management—Complete

part of one's business if tried for and treated right. Or that part of the business may be carried on to failure, weighed down by carelessness.

In some stores the disposal of what might be called in any line "remnants" is attended with uncertain methods. It is also attended sometimes with results that are anything but satisfactory to the customer.

In a store the writer knew of, nothing was ever sold for less than the regular price, no matter how little was left in stock or whether the line was to be discontinued or not. There was no such thing as a "remnant." Everything was good stock until it brought the marked figure.

If a customer went in and wanted a certain amount of some kind of stock and only a third of that amount was on hand he would be urged to take that amount and pay full price for it. He might do it, but he would regard the store management as mighty close, and he would be about right. In matters like that there must be a latitude of judgment allowed the salesman that will obviate the possibility of getting the store a reputation for stinginess.

No stingy store ever became popular and it is perhaps scarcely too much to say that no stingy store ever became a large success. Stinginess

Store Management—Complete

is a quality with which people have no patience, whether they meet it in business or elsewhere. The generous policy in all branches of management is the only winning policy. It is sometimes the cause of a little additional expense and it may come hard on the man who hates to part with money, but it is more expensive to be stingy than it can ever be to be generous.

To most merchants there comes a time occasionally when it is necessary to decide whether to combine with competitors to uphold certain prices. There is too much tendency to chop prices down and not enough to elevate them so that it seems wise to take advantage of most opportunities to increase profits. Still there are exceptions.

You may be getting a certain line of trade by shading a price on some kind of goods. There may be a competitor who would get nine-tenths of this trade if you all asked the same price. Your location may be such that you must make an inducement to people to get them to come to your store. There may be a line of goods that you can buy more cheaply than the other fellows can buy them, and by buying in this way and giving the public the benefit of the lower cost you may be getting under the belt of the competitors. Can you afford to lose this advantage?

Store Management—Complete

The advantages of higher prices are obvious, but the disadvantages are equally obvious and should be well considered before entering into any agreement to your own detriment.

As a rule, and the rule has few exceptions, the even price all over town results to the advantage of the stores that have the best location. The people trade here or there or somewhere else because there is an inducement of some sort, a reason for their doing so. Be careful about removing any of the reasons for people trading with you.

Do you deliver goods? Do you do it because you have to do so or because you consider it a good policy? If you are willing to do it, do it whenever people ask it. Make it a point to deliver to everyone in town with equal good grace. Go out of your way to accommodate as many people in this way as you can. When people come in loaded down with purchases made in other stores and buy other things from you, offer to deliver the whole lot. Make your delivering a part of the business that you can do cheerfully, and if you can't do it cheerfully, don't do it at all. No one wants to be the recipient of anything that can be construed as a begrudged favor.

Nowadays the public expect to have their purchases delivered to their door. Whatever you

Store Management—Complete

have to sell, it will pay you to deliver it and if it is possible to figure out a basis upon which you can deliver out of town purchases, that will pay, too. The price "at your door" makes it plain what the entire cost of owning the goods will be.

The small store in competition with a department store finds it practically a necessity to deliver because its bigger neighbor does it and it cannot compete except upon even terms. It may be that delivery costs more than the small dealer can pay. Then let him make a virtue of necessity and give a little better price or a non-delivery rebate check which will make it an object for people to take their own goods home.

Policy in this direction, as in all others, must be made to fit the locality. Different localities require different policies. The methods that will be good in Medicine Hat will not suit the people of Tuscaloosa and vice versa. The manager of a store before changing a policy, or before adopting one, should consider well the class of trade he is after and the manner of community in which he is doing business. This condition makes it rather hard for a man to start a store in another town and fit himself and his business to the needs of that locality at once.

They say that no one should buy real estate as

Store Management—Complete

an investment in a place until he has lived in its vicinity for at least ten years. On the same principle no man can really consider that he is safe in buying a business in a totally unknown town just because the business itself is a profitable one. Under the direction of a man unfamiliar with the town and its habits and requirements the same store might go down.

There is a custom of rebating to out of town customers all or a part of their railroad fare which has proved to be a good deal of a success in most places where it has been tried. A policy of this kind will sometimes make trouble with the local trade unless handled carefully. People who live in the village may be inclined to think that they ought to be accorded as much favor as is shown outsiders. There is something in the idea, but usually if the merchants are working together in the matter of rebates, and they ought to do so, it is possible to educate the public to believe that this rebate system is done for the general good of the town in the way of bringing in outside business that would otherwise go to other villages and on this basis it should not be taken up by local residents and used as a handle to a claim for favors to them.

A good policy means a popular store. A neg-

Store Management—Complete

lect of policy, allowing it to take care of itself, means a neglect of the very things that go to make a store grow. A business grows by what it feeds upon and it feeds to quite an extent upon its policy.

The merchant who is uncertain as to the wise policy to pursue in a stated case should study the means taken by other merchants. He should study the policies of the stores he knows to be successful, peering into their intricacies and reasoning out their whys and wherefores.

The proper study for merchants is merchandising. The way to find out what policies will be popular is to try them and see how they strike the public. But as this method has the obvious disadvantage of making the business suffer from the mistaken policies, the better plan is to study policies as tried by someone else and take for your own only those that prove successful with someone else.

A store policy is not an abstract thing, intangible and hard to define. It should be a clearly outlined plan of action in the handling of the routine problems of the business and its rules and regulations ought to be laid down in so many words so that there can be no mistake when the time for action arrives.

Store Management—Complete

This policy should cover every department of management, of advertising, of treatment of help, of treatment of customers. It should be comprehensive and detailed and it should be lived up to.



Don't be cajoled into buying goods for which there is no demand.—See page 76.



CHAPTER VI

CLERK MANAGEMENT

There are many men who are good store managers in every respect save one — that of clerk handling.

When a merchant falls down in the matter of handling help he falls down in a most important particular, because the clerk link is the most important link in the chain of store management, and a chain is no stronger than its weakest link.

The clerk stands between the proprietor and the public. The proprietor may do everything in his power to get people into the store. He may be a first class advertiser. He may be a good mixer. He may be personally popular. He may carry just the right line of goods and mark them at the most attractive prices, but if the clerks are not right, people will not come back to that store a second time except under protest.

There are as many kinds of clerks as there are men, but they all belong to two general classes; the kind you want and the kind that you don't want. The great difficulty is to tell before it

Store Management—Complete

is too late just which men are the ones you want.

There are no end of clerks looking for positions. In fact, most clerks are looking for positions. The good man is not averse to finding something better and the poor man is always looking for a job as a matter of principle (or lack of it).

You can find plenty of men who are reasonably honest, who will work full time and do most of the things they are told to do so long as you keep telling them, and who will draw their pay regularly.

These men are not much of a disadvantage to a store. They do not send people away by reason of any pronounced deficiencies, but they never develop into positive assets. The kind of clerks a man wants is the kind that is not satisfied to do no particular wrong. He wants men who continually go out of their way to do some particular right.

The merchant may be lucky to get clerks that are sober, reliable and honest, but he should never be satisfied with that. He should make it his endeavor to surround himself with employes who are all of that and ambitious beside.

The ambitious clerk, if he is wise, will have his employer's interest at heart because he will re-

Store Management—Complete

alize that the better work he does for the store, the greater will be his chances of advancement either in his present position or to some better one. The ambitious clerk will be ambitious to be associated with success, knowing that he will share directly in that success and indirectly as well. He will receive increased wages where there is success, because the store can afford to pay more, and it can particularly afford to pay more to the men who make it a success. He will be discovered by outsiders to be a part of the store's success, a maker of success himself, and he will be sought by merchants who have something better for him than he is already getting.

Some stores have too many clerks. There is not enough work to keep them busy and they acquire habits of laziness and they lose ambition because there is not enough for their ambition to feed upon.

If a store has more clerks than are ever all busy at once, it certainly has too many. More business is needed or less clerks. The clerks that never have to hustle forget how. At any rate they lose any inclination to do so. And from that it is only a step to the feeling that no one has any right to ask them to hustle.

It is very hard to tell from a man's appearance just what sort of a clerk he will make. Every

Store Management—Complete

merchant has had applicants come to him who looked like just what he wanted, only to find after a few weeks that they were of little use.

First impressions are often wrong impressions. The man who can judge men upon sight is a rare article. The applicant is at his best when he is asking for a position. If he cannot get himself up to seem presentable then it is probable that he never can, although it must not be forgotten that there are men whose tongues become tied when they are called upon to sound their own praises. They are few and far between, however.

Beware of the man who protests too much and of the man who seems to have no flaw in his character. No one is perfect and he who seems perfect is deceptive in some particular. All coins are bright when new, whether they be counterfeit or government minted. And all new brooms are entitled to sweep clean. The new clerk is not necessarily a "find" because he does well the first week. Give him a month at least before you can tell your friends what a wonder he is.

While selling ability is perhaps the most important thing to consider in hiring a man—after finding him to be honest and reliable—still there are other qualities which merit atten-

Store Management—Complete

tion. Courteous handling of customers, stock-keeping ability, personal appearance; all these count and are to be considered. A man may be too good a salesman. It is possible for a clerk to be so disposed to load up customers that he works a disadvantage to the store.

As to wages, there is no definite rule of course. Where the salary is a stipulated sum without commissions, "P. M.s" or percentages, the locality, custom of the town, cost of living there, etc., all influence the figure. It is estimated by many experienced merchants that the cost of mere selling is about five per cent. Some make it more, even up to seven per cent. Some firms which place their employes on a strict percentage basis, pay men seven and girls six per cent. and find this a fair basis.

It is not good policy for a store to be stingy with its clerks, either in matters of money or time. Two parties to any business arrangement will get along better if there is a mutual spirit of generosity. The clerks will be pretty apt to reciprocate if the management shows a tendency toward this kind of a spirit. If the management acts the other way, the clerks will certainly exhibit a tendency in the same direction.

Clerks are human, just as you are, and have the same or greater capacity for enjoying life, and

Store Management—Complete

they appreciate opportunities of that kind. Also they are no more steam engines than you are, and that being the case, there are days when they ought not to work, when it is a detriment to them and consequently to the store. Unless it is absolutely imperative that a man be on duty, the store will make more money if he lays off the day he is not able to do good work than it will if he works, and this applies to the proprietor and to the clerk alike.

See that your clerks have a chance to let headquarters know when they are not fit to work and see that they are given the benefit of any doubt in the matter and allowed to lay off if they seem to need to do so. Of course the store management will find some clerks who will take advantage of this attitude, and such help should be passed on to someone else, but it is profitable to take the clerk's word until it has been proved false.

If you employ many girls, have a rest room for them and let them use it. An hour of rest now is better than all day off to-morrow. And an hour of rest when it is needed means far better service after taking it. Better service because of the physical rest and better service because the clerk appreciates the privilege and

Store Management—Complete

feels a greater interest in the store on account of it.

The store with many employes can support the rest room and the store with too few hands to make that desirable can keep in close enough touch with each one to see that no one works who is unable to work well.

Don't try to discourage a clerk the first day or week in the way the old-fashioned merchant used to do. It used to be the thing to set the green hand at the dirtiest jobs in the store and try to make life a burden just to see what stuff he was made of. Of course the man who comes through serene and smiling is probably a good man, though not necessarily so. But many a man who might have made good may be spoiled or discouraged or given an ill feeling toward his employer by such treatment.

Start a clerk at work that will average with his regular routine. Help him all you can and encourage him rather than the contrary. He will think more of you, more of himself and more of his job.

There is still an inclination upon the part of some employers to try to get the most possible work out of clerks by browbeating them and making them afraid of their employer. This is

Store Management—Complete

all wrong and it will not work now — if indeed it ever did work to advantage.

Clerks and employers should be friends with a common interest and a feeling of freedom in talking over the business and its varied phases and conditions. Will a clerk who is afraid of his employer ever go to him with an idea for the improvement of the store or its methods? Never. He will get along with just about what he finds it absolutely necessary for him to do and no more.

Suggestions from clerks may be inopportune or ill advised or they may be timely and valuable. It does not matter. They should be received with interest and courtesy when offered. The fact that an employee offers a suggestion for the betterment of the business shows that that employee is interested enough to give his work thought beyond the bare necessity of the duties he performs.

The clerks of to-day must be the merchants of to-morrow, and according as they take an interest in learning their work and in trying to learn how that work may be done to better advantage the business methods of to-morrow will be improved over those of to-day.

Have a system in the hiring and treatment of employes and adhere to it. The store rules

Store Management—Complete

should be obeyed by all. Exceptions open the management to the charge of favoritism and make discontented members of the force. Give a fair hearing to all complaints from the clerks and encourage them to come to headquarters with their grievances in order that they may be settled properly. Oftentimes a disgruntled clerk goes about spreading dissatisfaction and doing harm when five minutes' talk with him would make everything all right. And to allow a clerk to leave your employ with ill feeling toward you is to have someone go out who will be an enemy to the store and take away trade.

There is no help quite as expensive as cheap help. One cannot expect or ask first class service of incompetent and ill paid help. A well paid clerk should be a competent clerk and he should be called upon for first class service. There is some little justification for the underpaid man who kicks at being asked to work overtime or to do things for which he is not paid, though the well paid clerk has no such excuse for shortcomings.

Of course a poor clerk cannot be made into a good one by better pay. It must be in the man to do good work or the salary will not get it out, but any man will work better if paid a fair wage. No man will be even reasonably contented in a

Store Management—Complete

position where he is underpaid. Underpaid does not mean paid less than he earns, for the merchant must make a profit upon his employes' work just as much as upon his goods, otherwise they are of no advantage to him. They must sell goods to an amount that they will pay a net profit greater than their wages for selling them.

The proprietor to a great extent sets the pace for his clerks. Slow boss, slow clerks, probably slower clerks. Energy and enthusiasm are very contagious. A clerk cannot catch them from someone who does not have them.

The proprietor who is always late in the morning, who loafs in with a cigar in his mouth and his hair rough and a couple of days' growth of beard, who instead of going to work settles down in a comfortable chair and proceeds to waste a half hour of the best time in the day, will not be an inspiring example for his help.

On the other hand, there is no use in trying to fool the clerks into thinking you are rushed to death by taking off your coat and rolling up your sleeves and prancing up and down the store aisles, making a great bluff and bluster, but accomplishing nothing.

You have your kind of work pretty well outlined and your clerks know that there is no more work in managing a store than mere manual

Store Management—Complete

labor. Sit down at the desk the first thing, if you belong there, and dig in. Don't wait to feel more like it. Set an example of industry. It will have its effect.

There is a good deal in having confidence in a clerk's ability to make good. It is much easier to help a man when you think your assistance will have some results. If you start a clerk in with the idea that he will never amount to anything, he probably never will. You will be unfairly prejudiced against him from the start. You will scarcely give him a fair show. If you have doubts about a man, don't hire him. But if you do hire him, make up your mind that you can make something out of him and then do it.

The clerk looking for a position has just as much reason to want to find a desirable employer as the employer has to want to find a good clerk. You can easily get the reputation of being a hard man to work for. This will work a hardship in two ways. It will make good men avoid your store and you will have to hire inferior help, and it will make your help ready and anxious to leave and that will result in frequent changes.

Customers like to do business with people whom they know. The frequent changing of clerks makes all strange faces in your store and makes shopping there less pleasant from the cus-

Store Management—Complete

tomers' point of view and less profitable from your own. It makes the management of the store harder, too, as you yourself know. The less you change clerks, the better all around, provided you have a force that is reasonably efficient.

Of course one may keep a clerk too long. Clerks often reach a point where they lose their value because they have been in one place long enough. They, in a way, go stale. They have done you all the good they can. They get restless. They think they know more about their work than their employer knows. They become hard to manage. They need to make a change for their own as well as for their employer's good. When a clerk gets to that point, help him to make a change for his own advantage and he will remain a friend to you and to the store and you will have done a good deed.

A clerk naturally, if he is any good at all, wants some day to become a proprietor himself. The better work he does for you, the better work he will be able to do for himself. There are employers who will discourage a clerk in such aspirations because he is a good clerk and they do not want to lose him. They make a great mistake. Help a clerk to plan for getting into business for himself—in another locality of

Store Management—Complete

course. Take an interest in his plans. He will leave you some day, anyway, and you might as well make a friend of him and thus make him worth more to you while at the same time you do a Christian deed.

Among the little things that are important in the treatment of clerks is the matter of the paying of wages. When a clerk's wages are due, they are his and he is entitled to them. He ought not to have to wait for them. Pay every employee when the payday comes around and thus avoid any cause for dissatisfaction. A clerk who does not get his money when he expected it and wanted to use it may do the store a good deal of harm and may affect the credit of the owner by the things he will say or hint to his friends.

You have a right to know what a clerk does with himself outside of business hours. Not that his time is in any sense yours then, but when you hire a man you are entitled to his best services, and if he is doing things outside of the store that unfit him to serve you well inside, he should be talked to for his own sake and for the sake of the business. It is a favorite proclamation of a clerk that as long as he does his work it is none of his employer's business what he does in his own time. It is the attitude of many

Store Management—Complete

merchants that they do not care what a clerk does as long as he does his work the way they want it done. They say "He can booze or gamble or do anything he wants to do and it's no business of mine." That is not true. We are trusting clerks to handle our money. All the money we get for our goods is what the clerks give us. Do we want all that money going through sticky fingers? And will not the fingers of a gambler be sticky? The man whose habits are irregular and dissipated, will he not need money at some time? His principles will in the end prove no obstacle to his helping himself to his employer's funds. And then no clerk can be fast or do wrong to any extent without people knowing it and customers, particularly women, will not feel like doing business with a man they do not like, nor will they trust him in the mere matter of his statements about the goods they are buying.

When you take a young man into your employ you in a measure become responsible for him. You assume a portion of the guardianship of him. If you allow him to do things that you know are wrong, you are not living up to your duty. And you are making a tactical mistake as well.

Do you give your help full credit for the things they do to help the business along? If

Store Management—Complete

a clerk does a particularly good piece of work in the way of stock arrangement or store decoration, do you say a word of praise to encourage him to repeat the effort? Or do you take it all as a part of his day's work and let it go at that?

Mankind, and womankind too, like praise. Some almost live upon it. Anyone, you, I, all of us, like to be appreciated. We like to have someone compliment the work we do. What encouragement is there in doing a thing well if it will receive no more attention than if it were done ill? Art for art's sake is very well in theory, but it is mighty unsatisfactory in practice. It will pay you and pay you well in real money to praise your help whenever you can find excuse for it. There is something commendable about the way almost anything is done and it is better to comment first upon the good features of the work than upon the others. It is better, anyway, to pass easily over the faults with only sufficient comment to make the workman anxious to correct that fault next time. And then when it comes time to do that thing again, look out in advance for a repetition of those same faults.

Criticism is a good thing in its place, but the man who criticises habitually forgets how to commend, and he becomes a standing discouragement to anyone to try to do things right. The

Store Management—Complete

man whom you cannot suit, no matter how well you do, is bound to become disliked.

Of course it is not to be expected that any proprietor will become the perfect employer. Perfection is not human. But many faults will be avoided with care, and faults are no more common in employes than in employers. The help proposition is not a one-sided one by any means.

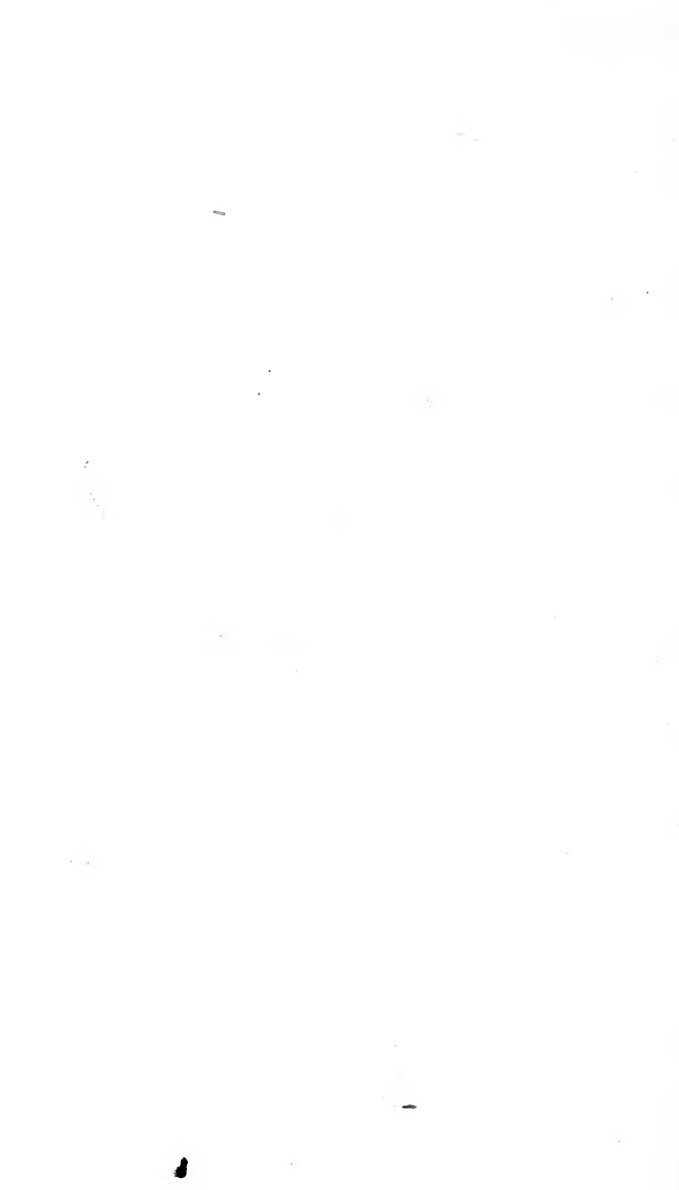
Whatever you do in remarking upon the conduct of work of your employes, do not NAG them.

A nagging employer is as bad as a nagging wife and probably worse. No one can endure either for long without beginning to plan how to escape from the mental torment of the situation. No explanation of the term "nag" is necessary. It is understood well enough even by the people who do the nagging. You may be a nagger without knowing it. Think it over carefully and if you find yourself in doubt about it, you are probably guilty. Cut it out!

The way in which the money of the store is handled is a matter of first importance. To err is human and all humanity makes mistakes. No matter how good your clerks are at remembering, they sometimes forget. No matter how accurate a man is, he sometimes makes mistakes.



*Are you setting your clerk a good example?
See page 131.*



Store Management—Complete

You make them yourself. See that your cash system is such that it reduces mistakes to the lowest possible figure. This is not an advertisement for anybody's cash system or for any cash register or any other appliance, but beyond a doubt some mechanical plan will help to eliminate mistakes. And when it comes to the matter of honesty among employees, the more strict the system that hedges the money, the better for the amount of the receipts. Then, too, the employer owes it to his employees to protect them in every possible way from the temptation to take money not their own and to protect them from any possible suspicion of taking money when they have not taken it. In a store where the careless plan is followed, if money is gone, every employee who had access to it is eligible to suspicion.

Get a careful system of money handling and adhere to it.

Thoughtlessness on the part of the employer is the cause of much of the dissatisfaction on the part of the clerks. The reason why clerks are not complimented on their work, or are left to learn things for themselves instead of being instructed, is simply thoughtlessness on the part of the proprietor in many cases. He knows better, but he doesn't do as well as he knows. It pays a business man to do the best he knows in

Store Management—Complete

regard to any part of the management of his business.

Another quality that makes about as much trouble as thoughtlessness in the matter of relations between proprietor and clerks is inconsistency. Inconsistency leads a man to expect his help to develop virtues which he himself apparently scorns. It leads him to form habits and develop qualities which he expects his help to shun. Employes notice such inconsistencies at once and they are scarcely to be blamed if they do not take the straight and narrow path when the one who is their natural business leader goes the other way.

The suspicious employer is another sort who is apt to be mighty unpopular with his clerks. None of us likes to be watched or suspected all the time any more than we would like to have a detective trailing us around. Clerks know when the "old man" is watching them on the sly and trying to find out things about them without their knowing it.

It is better for all concerned for one man when he thinks he has a grievance against another to go right to that other and state the case and get to the bottom of the matter at once. Suspensions do both parties an injustice and injustice has no legitimate standing in the business world to-day.

Store Management—Complete

Frank treatment is the treatment that every right minded man prefers. No wrong can be straightened out without perfect frankness on both sides. Everything open and above board is the way we like things run. That leaves no room for any feeling of unfairness.

Do you ever give a thought to the woman behind the man in your employ? For every married man and for many unmarried men at work there is a woman at home anxious to have that man do his best to get ahead.

These home women know what their men's lives are like. They enter into the details of them and sympathize with them. They want their men to do better. They want them to be employed where there is a chance for advancement. Is your store the kind of a store to enlist the sympathies of those women at home and make them encourage their husbands or sons to work harder for the business and even work for it themselves in their indirect but valuable way?

And more pertinently, or perhaps more impertinently, are you the kind of a man those women want their men to work for and with? Are you setting them the kind of personal example that will have the backing of the wives? This is more important than you realize. It is vital.

Store Management—Complete

You cannot take the attitude that every man's private life is his own business and that you cannot assume any responsibility for the personal morals of your clerks. You are responsible to them and to their families if you do anything that will have an inclination to send their bread-winners down hill.

Success with clerks is not easy. Success of any kind is not easy. It comes only by heeding the small necessities. No man ever grew great by attending only to great things. No great man overlooks the fact that greatness or success is made up of small particles just as the ocean is made up of drops of water. "Trifles make perfection but perfection is no trifle," said Michael Angelo.

Of course an employer can fritter away his time in utterly unimportant matters. He can become a putterer but this is not the same thing as paying to small details the proportion of attention they deserve.

In the big stores nowadays employes are systematically instructed in their duties, in the qualities of the goods they are to sell, in the policy of the store, in salesmanship and in many other directions.

Too often in the smaller store they are taken in and told certain rudimentary facts and then

Store Management—Complete

expected to watch the older members of the force and learn by observation.

An observant man can learn a good deal if he pays strict attention to his business. But even the most observant could learn a hundred per cent. quicker if given instruction in a sensible way instead of by the haphazard method.

Have a plan outlined. Begin with the simple rudiments. Go on to the more complicated affairs. Show the clerk what kinds of things happen in his work that call for special treatment. Give him concrete examples of the things he will be called upon to do. Teach him salesmanship by actual sales. If there is just one clerk, give him little talks on storekeeping and if there are a dozen or a hundred, give them talks too. The clerks want to learn to do their work better because they will in that way become worth more money to themselves. You want them to learn because they will then become more valuable to you.

Furnish your employes with all the good business literature that they will read. Keep a shelf full of books and trade journals where they can get at it and do all you can to interest them in reading such matter.

The man with few clerks can talk to them himself as occasion offers, teaching them his

Store Management—Complete

methods as they work together. The man with many clerks may well establish a system of some sort, having after-hours meetings with short talks by himself and by heads of departments or by outsiders, with a question box or any other method possible for exciting interest.

The store with enough employes ought to encourage the formation of some kind of an employes' benefit association which shall be productive of both pleasure and profit.

Each person in your employ has some particular fitness for a special branch of the work and it is profitable as far as possible for the merchant to study the peculiarities of his men and try to fit each one to his own particular niche.

One man can dress windows best. Another has a knack for making show cards while still another is a good stock keeper. So it goes. If the window dresser is kept at work making show cards which he does not like to make and cannot make well, and if the man handy with the brush is never allowed to make a card, things will be at odds and the force will lack a good deal of getting the best results.

It sometimes happens that the whole force will be kept in a state of turmoil by some one belligerent spirit. If there is a trouble maker in the force it is better to let him go, no matter

Store Management—Complete

what his ability may be in certain ways. Some clerks have the power of keeping their associates discontented even while doing good work themselves. There must be harmony and a united purpose behind the clerk force if it is to work together.

A cheerful man is a constant inspiration to his associates and the man with a grouch gives everyone he meets a mental down-hill shove. If you are going to get the best out of your clerks or out of yourself you will have to be cheerful. Cheerful clerks do their work twice as easily and twice as well as clerks that are perpetually disgruntled. Customers like the cheerful store and the attitude of the employer toward his help is pretty apt to make the store cheerful or the reverse, according as the clerks are reflecting a cheerful disposition on the part of their superiors or nursing a grievance which has been fathered by a cross look or word from headquarters.

Optimism will spread through a store if it gets a chance just as gloom will spread. Either is "catching." The head of a store can to a large degree determine whether his store is to exhibit the optimistic or the pessimistic spirit. There is no doubt in anyone's mind as to which is the more profitable or the more pleasant.

Treat clerks in the way you would like to be

Store Management—Complete

treated if you yourself were a clerk—not in the way you might have chosen when you were a clerk for at that time your judgment might have called for more leniency and easier times than would have been to your advantage—but in the way you would wish to be treated if you were a clerk now, possessing a desire to get ahead in every way that would result to your permanent advantage. This kind of treatment can have but one result and that will be the making of a more useful, valuable and contented force of employes.

CHAPTER VII

LEAKS

They say that "It's the little leaks that swamp the ship." That may or may not be true. I don't know anything about ships, but when it comes to shops I believe that the adage holds good in a very large percentage of instances.

The big leak, the large expense that is evident on the face of it, keeps one looking after it. It is so obvious that it cannot be ignored, even if one would like to ignore it. It works so quickly that the business must either correct it or yield to it at once.

The little leak is insidious. It keeps drawing off the surplus, the profits, day in and day out without anyone knowing where those profits have gone. The large expenses are considered and as many or as much of them as possible eliminated. The little leaks, though, that are in out-of-sight corners are not noticed or if they are noticed they are not considered worth correcting.

The reason that these little leaks are consid-

Store Management—Complete

ered unimportant is largely because they are considered singly. The merchant says of each one, "Oh, that amount is too small to amount to anything. I could lose that sum every year forever and it wouldn't amount to enough to make any real difference with my financial condition."

The way to find out what the little leaks are doing to you is to hunt them up one by one and set them down in a long column and add up their total. It is the total that tells the story and that will surprise the average merchant.

You think you know what your running expenses are, but do you? Can you make your figures at the end of the year come out to a perfect balance showing just exactly how much you have made (or lost) and where?

If you can, you are a rare exception. There are mighty few merchants who don't have to make a special item to put into the annual statement of their affairs to cover a shortage or shrinkage that is not accounted for in any of the regular items.

I know of a firm doing a good sized business in a small city who found that while their figures showed an ostensible net profit last year of some ten per cent. above all expenses including salaries of members of the firm, etc., they could

Store Management—Complete

not produce money to show more than eight per cent.

There were leaks that they could not locate.

They sent for a business expert who came in and, at a cost to them of \$200 a week and expenses, put in a system that enables them this year to tell at the end of each month just how much money they have made that month on each line of goods in the store—and they still have some undiscovered leaks.

There is no one who can discover little leaks in a business as well as the proprietor—if he will be honest with himself and recognize and admit the leaks when he finds them. Nothing is too small to be passed by. Every item that draws on the profits should go into the list and be added into the total. Every expense that need not have been is a leak, a drain on the net profit.

What are these leaks that are liable to make trouble for you? Well, it stands to reason that you can find them better than anyone else but I am going to point out some of the corners into which you may well look for them.

Begin right out in front of the store, with the awning. If your store uses an awning, it presumably uses it as a protection against the direct sunlight. The awning manufacturers know that

Store Management—Complete

not one merchant in ten knows how to or at least does take proper care of his awnings.

He leaves them down in the rain needlessly. He does not see that they are rolled up tight enough to keep the water and the sparrows out of them. When a small tear starts, he lets it rip into a big one. If his wife took that kind of care of his shirts, he would get a divorce right away.

If you want to use the awning, for instance, as many grocers do to keep rain off from goods shown out in front of the store, then you can do nothing but let it get wet and dry, or frozen, at the will of the weather.

But if there is no need of getting it wet, keep it dry. If it happens to get wet, see that it is properly dried before being rolled up and left to mildew and rot and streak. When it is rolled up, see that it is rolled clear up under the cornice and see that there is enough cornice to protect it from the storm.

If the awning looks shabby it detracts from the appearance of your store front, no matter how handsome the windows may be. Keep it looking as well as you can as long as you can. It will pay in making your store more attractive on the outside and it will pay in saving your awning bills.

Store Management—Complete

Inside of the store the kind of equipment and the treatment of it make a great difference in the length of time the furniture lasts and in the way it protects goods from injury.

Lack of equipment in the way of suitable show cases to protect stock from the dirt and too much handling means a steady and very appreciable loss in depreciation of value. There is no imagination about this.

There are some goods which sell so much better when kept out where people can pick them up and examine them at will that keeping them in cases is out of the question, though such goods are usually put up in such form that damage from exposure is reduced to a minimum. There are other goods that must be covered up and these goods must be covered in such a way that they will still be as open as possible to inspection.

Goods that do contribute a decided loss when exposed will sell so much more slowly if they cannot be properly displayed under cover that they will drop back several laps in salability. The point that requires attention is the necessity for determining where protection becomes too efficient and begins to reduce self-selling power unnecessarily.

Nowadays there are special display fixtures for

Store Management—Complete

all lines of goods that you carry. Show cases are made to fit the goods so that they will show up each feature to the best advantage. The cases are also arranged to combine with this display properly the greatest amount of automatic care of the stock in them.

The lack of proper fixtures produces various kinds of expenses and losses. It causes depreciation of stock. It causes loss of time in the extra amount of care needed to keep the stock in good condition. It makes stock-taking harder and increases the chances of ordering goods already in stock. And very important; it makes the goods sell more slowly.

If you have any extra money that you are willing to put into your business, you cannot invest it in any way to make it produce better dividends than it will bring if spent for new special fixtures.

I advise you to look through the advertising pages of trade journals carefully and note and answer with an inquiry any advertisements regarding special display fixtures that you do not already have in the store.

The idea that high class fixtures are an expense is all wrong. It is an expense to try to get along without them. For instance, a man

Store Management—Complete

considers the installation of a cash carrying system. It looks to him like an unnecessary charge to have to pay money for a machine to carry money and packages back and forth when he has plenty of help to do it.

If that man thinks that without the cash and package carrier he is getting his carrying done for nothing, he is sadly mistaken. The carrying must be done by his employes and if he thinks that it is cheaper to do simple manual labor of that sort by hand than to do it by machinery, he is calling one of the fundamental principles of labor a lie.

Another point of great value in favor of fixtures is the reduction in the time needed for all sorts of store service, thus the fixtures making it possible to serve customers with greater facility, speed and accuracy. This means inevitably more customers and better suited customers, also less clerks.

One of the ways in which many factories are making money, a way in fact in which some plants make all their net profit, is through the sale of by-products. You think there are no by-products in a store. Wrong again!

A penny saved is a penny earned and a penny lost through thoughtlessness or ignorance of the

Store Management—Complete

way to save it is as much a leak as the payment of a cent a pound more for wrapping twine than is necessary.

If you buy any goods at all, some of them come in barrels, crates, cases or glass containers that have a value when empty.

It may be that such containers as you get are never called for at your store but that is no reason why you cannot sell them. Take the lids off from boxes carefully without splitting them. Open barrels without tearing them all to pieces. Save corks to bottles. Save the bottles, jars, bags or what not. Hang up somewhere in sight a card saying that you sell empty boxes, etc.

Plenty of people are able and willing to pay a little money for good clean kindling wood. Other people want occasional packing cases or barrels for various uses. Corks can be re-used and second-hand bottles except in a few cases can be refilled, or sold to junk dealers, liquor dealers, etc. A junk dealer will buy anything from an old tin basin to a building that needs to be torn down. All kinds of old metal have a value. Tin foil or lead foil in which some goods are wrapped is worth several cents a pound. Old rubber of any kind has a price.

If you throw out much waste paper, better get



Even barrels have a value when empty.—See page 144.



Store Management—Complete

a press and bale it up and sell it to a paper plant for 50 cents per 100 pounds. If you can't make it pay to bale it yourself, find someone who can and does bale it, a printing house for instance and sell to them at half that figure. It is all velvet that you get for such stuff. Paper that is sold in that way need not be stored. All stock that has printer's ink on it goes into the making of straw-board or something of that kind anyway. Paper in compressed bales or in crates (not in boxes) can be shipped at a very low rate by freight, about 15 cents per cwt., usually, and in carload lots much cheaper.

Remember that any kind of goods that you think worthless, whether odds and ends of packing matter or simply damaged stock, will be worth more to you and sell more quickly if made to look as well as possible. The plan of calling things "junk" as soon as they show a little wear, or because they are things of the by-product class that you have been accustomed to regard as valueless is a mistake. Don't classify anything as junk until you know positively that it will bring you nothing. Why, even excelsior and sawdust have a value and may be sold to livery stables for bedding, if nowhere else.

Dirt, just plain, every day dirt is productive of more store leaks than almost any other cause.

Store Management—Complete

It produces leaks of all kinds and of all sizes. It causes depreciation of stock and of trade. It prevents sales by spoiling the goods and by spoiling people's appetites for them.

Customers are averse to dirt on the goods they buy. They like them to be bright and clean. They like them that way and buy more freely when they have come for the express purpose of buying some one thing. And they are more often attracted to goods that they did not come to buy if those goods are clean. Sales on sight are rarely made of goods that are dirty.

Dirt reduces the actual intrinsic value of much stock, aside from the mere matter of its making it unsalable. It depreciates the value of fixtures and it makes painting a more frequent necessity. Keep out the dirt and let in the profits. Dirt and profits are sworn enemies.

The wrong way of sweeping, stirring the dust up and letting it settle all over the stock, only to be stirred up again soon with a feather duster, causes loss by making it impossible to pick up white or light colored stock of any kind without making a finger mark. Sweeping should be done with a preparation to keep the dust down. You can use one of the advertised preparations of this sort and pay a fancy price for it or you can make up a sweeping compound on some such

Store Management—Complete

formula as the following: sawdust, two bushels; salt, 5 lbs.; lardine oil, 1 gal.

Moistened sawdust does very well. Snow is first class when available. Keep the dust on the floor and sweep it out and it will not cause you loss. Then don't use a feather duster. Wipe the dust off of things and it is disposed of for good.

Darkness operates in a good deal the same way as dirt. An article may have just as much merit when kept in a dark corner of the store but no one will know it and no one will buy the article. Let in the light. Light seems like a big expense, but a bigger expense is darkness. Every customer who enters the store will think that the dark corners are dirty corners. Dirt is associated with darkness in the minds of most housekeepers — and with a good deal of reason too.

The short-sighted merchant is likely to think that odds and ends of stock that are getting past their prime may be made to move off at full price if mixed with new goods. The man with the soda fountain, for instance, might expect to get rid of the left over part of a batch of fruit that lacks just a little of being spoiled, by putting it in with a fresh lot. He makes the mistake of his life by doing a thing like that.

Store Management—Complete

The old fruit may not cause the new to spoil but it causes the whole to fall more or less short of being first class. The right sort of economy would be to throw out the old and start afresh, thus keeping up a standard of quality of flavor that would be conspicuously good. This is illustrative of a rule that holds good through countless lines of stock. It is the old instance of the bad polluting the good much more easily than the good can correct the bad.

Another leak that is as bad as trying to make depreciated stock go to full price, and possibly reducing the good stock in attractiveness by mixing the old and new together, is to cut all the profit off from the old stock unnecessarily. Old stock should be made to produce a profit whenever possible. There are two extremes possible in handling such goods and either of them results in a loss which can be obviated by the use of care and good judgment.

The old preceptor who gave me my first lessons in storekeeping used to say that "It is a fool who gives over-weight and a scoundrel who gives underweight." This is more than a mere platitude. It is a principle. The man who gives over-weight or over-measure, or who allows his clerks to do so, is throwing away good money, absolutely throwing it away. A customer may

Store Management—Complete

be made to feel pleased by having a little extra thrown in sometimes — if he knows it, but where there is simply a giving of extra weight or measure through carelessness, it redounds to no possible advantage for the store in the way of pleased customers, and it does produce an actual and palpable money loss. Cut it out!

The leak that produces occasional appreciable losses is the failure to keep careful track of goods that are returned to the wholesaler or manufacturer. Goods returned to the shipper for any sort of reason ought to be billed to him just as if an actual sale were taking place and the account should be looked after with the same care that any other account would receive. The practice of sending goods back simply marked "From So-and-So" of such a town and making no account of the matter unless it be a memorandum kept in some irregular place will make loss sooner or later and perhaps cause difficulties with the wholesaler to whom the goods are shipped.

The use of goods in stock by employes produces loss also. With the best of intentions upon the part of the clerk who takes an article out of stock for temporary use, he may damage it, lose it, forget all about it, or allow some other cause to prevent him from restoring the goods in per-

Store Management—Complete

fect condition to the shelves. The taking of goods from stock for use by dishonest employees without pretending even to pay for them needs no mention here, save to say that where a merchant allows such work to go on under his nose he is being defrauded in a very elementary way.

It is the same with reference to the dishonest clerk and the money drawer. The clerk who has the disposition can, in spite of his employer's care, abstract some of his money in reasonable security. Every employer knows this and the money a clerk takes is taken usually because his employer has undue confidence in him and believes he is honest and needs no watching.

Every man is entitled to be considered honest until he is proved otherwise — but every man has his price, they say, and awaits only a temptation great enough. It is better not to tempt any man — better not to put yourself in a position of temptation.

Forgetting to charge goods sold on credit is so well known a leak that it calls for nothing more than emphasis. There will be some loss of this sort in spite of the utmost watchfulness.

There are sometimes requests for the loan of goods out of a store, or the request may be for tools, fixtures or any part of the equipment. Such loans are perhaps between personal friends.

Store Management—Complete

Even personal friends sometimes forget. Charge up in the regular way loans of this sort and no one will be offended and there will be no ensuing loss.

If your lights are on a meter, see that there is no needless waste of illumination—but better waste a little light than skimp on it. Still there is no need for lights to be left going in the cellar when no one is occupied there, or in the store-room, or turned on in the windows before it grows dark enough to need them. Make it the business of some one employee to look after the lighting end.

There is often a needless waste of goods in making window displays. Not enough care is taken in making displays. More goods are exposed to the damaging effects of light or heat than is necessary, or goods are left just enough longer there than is necessary with a resultant loss.

In most smaller stores time is a thing that is not accounted valuable. Employes waste a little time every day with the result that eventually comes a day when in addition to the regular duties are so many accumulated extras that someone has to be called in to help with some of the work.

There are sometimes mistakes in marking

Store Management—Complete

goods or what is worse in leaving them unmarked and this means that there is a far greater chance of the goods being sold for less than the proper figure than for more. Goods should always be marked. There is a leak if you trust anyone's or everyone's memory to get the price right even on standard goods.

One of the biggest leaks in the retail store is dead stock and this loss through dead stock is one that cannot be corrected by instructing clerks. It requires the careful and constant attention of the proprietor himself or of someone who stands in lieu of proprietor with proper responsibility for the success of the business as a profit maker.

Dead stock is often caused by over-buying. A line of seasonable goods may be overbought just enough so that the profit on the stock will be left tied up in the goods still on hand when the season ends. So it may easily be seen that leaks may start in the buying department and there is no part of the management of a store which can certainly be considered free from such possibilities.

The failure to take all cash discounts causes a loss of profits. Don't miss the little one, two or five per cent. that can be had for the taking.

Careless arrangement of stock or misplacement

Store Management—Complete

of certain items will always let profits slip away. Failure to have all of a certain line of goods in the places in which they belong, and all in the same place causes over-buying by making it possible for a man to buy more goods before getting rid of as much of his previous stock as he thought he had sold. Such poor arrangement also loses sales, for every now and then a salesman will find the stock in one place all gone and turn away the customer, not knowing that there is more stock in another place.

The inability to find goods when they are wanted means inevitable loss of sales and that means not only loss of profits on those sales but also possible loss of customers. A proper and systematic arrangement of stock in the store and store-room will stop many leaks.

System throughout the whole store operations is necessary to stop the leaks. The only thing to avoid in the matter of systematizing is the possibility of going too far with it and making it a consumer of time and consequently a cause of a leak that may cost more than it saves.

The minor economies of a store are as important as the larger and no merchant should be afraid of his clerks or anyone else thinking him penurious because he objects to winding twine around parcels more times than is necessary, or

Store Management—Complete

taking a larger sized sheet of wrapping paper than an article requires for its proper covering and protection.

See that price tags are taken off from goods sold and then thrown into a little box from which they can be used over again.

Save the odds and ends of heavy twine and wrapping paper that come in, caring for them in an orderly manner.

Let the cheap help do the cheap jobs. Don't send a fifteen dollar a week man out with a parcel to be delivered.

Study the advertising mediums you use and see that they give you the circulation you pay for. Don't use a larger space in any newspaper than will pay a profit. It is as easy to use too much space as it is to use too little.

Don't cut the price of goods unnecessarily. It isn't necessary to believe every Tom, Dick and Harry who comes in and tells you about how cheap certain goods can be bought down the street. Be sure you're right before you cut a price.

Prevent depreciation in fixtures as much as possible. That means that the fixtures can be listed higher in the inventory and it all counts for the profit side of the annual report. A show case with a cracked glass or a broken support

Store Management—Complete

somewhere has to stand for less when you list it at the end of the year.

Look out for transportation charges by combining orders, figuring ahead on the amount of stock that is going to be needed. Don't wait until the last minute and have to ship in by express any oftener than can be avoided.

Waste no goods. Waste no equipment. Waste no opportunities.

Waste not ; want not !

CHAPTER VIII

THE STORE'S NEIGHBORS

The contented man is he who lives at peace with his neighbors. The successful man is he who makes the best use of his neighbors.

The successful merchant needs all the help he can get from everybody who will help him and his business neighbors ought to be given every opportunity to do their share.

There are storekeepers, you know some of them, who make their store a shell into which they crawl every morning and stay until they have to go home at night to sleep. If these fellows come out long enough to go to the bank or lunch, they come out only in a physical sense. Mentally they are still in the store.

They eat, drink, sleep, think nothing but store, store, store.

Such men may make some money. They may even be accounted successful in the sense of having reached a point where they do business enough to enable them to save a little money every year. They may be successful storekeep-

Store Management—Complete

ers in the technical sense but they are not successful *men*.

They have succeeded in getting upon their financial feet in spite of their nose-on-the-grind-stone methods, rather than on account of them.

The merchant who wants to succeed in the larger sense of the word must be something of a mixer. He must get acquainted with his fellow merchants and he must take time to talk with them about business conditions. He must crawl out of his shell as often as he can make opportunity. He will do more business for it and he will live longer and better. He will be happier.

The man who starts in business in a strange town and does nothing to get acquainted with the rest of the business men there will find that he is a long time getting to where he is regarded as one of them. He will be the "man from Punkville" for years instead of becoming in a few weeks "our esteemed fellow citizen" as he might if he started right in to get acquainted.

The newcomer needs to go right down the line as he gets time, calling on every merchant in the town and explaining who he is, where he is located and in some cases telling what he intends to do. He should call on competitors among the rest and get on a friendly footing with

Store Management—Complete

them right away. Even a man's competitors do him less harm if they are friendly.

The man who has always been in business right at the same old stand is inclined to forget about the desirability of mixing with his neighbors even if he realized it at the outset.

Perhaps you yourself have been doing business right where you are for ten years. Perhaps when you started in you took pains to get started right with the other merchants and since that have been so busy that you have not had time to call on them or to see them except as circumstances have happened to throw you together.

Other merchants have worked together and played together until they have become personal friends with interests outside of their mere routine work and with an inclination to help one another whenever there came a chance.

You have stuck tight in your shell until you have become shell-bound and your neighbors who should have been friends have become mere acquaintances to whom you speak when you meet them and with whom you talk only when you are thrown together by some chance meeting.

You are making a mistake which will be productive of various sorts of disadvantageous results.

The more friends you have personally, the

Store Management—Complete

more your store will have and that means dollars and cents to you. The more friends you have among your business neighbors, the more of them will refer to you inquiries that they receive for goods you have and they do not have in stock.

Every store in your vicinity has visitors almost every day who ask for goods that you have and that *that* store does not have. Those inquiries are going to be referred to the man whom the people in that store like and if you never go in there, if you do not know the clerks to speak to them, and only know the proprietor to nod to him on the street, you need not draw on your imagination very much to know where they will *not* send such an inquirer. He will be sent to some merchant whom they do like.

It is all very well to say that you or your family buys so many dollars worth of goods in such a store and hence they must reciprocate. That is true as far as it goes. There will be a technical reciprocity and they will throw you some trade, but there will be no whole-hearted desire to do you some good just because you are popular.

Popularity is an evanescent thing and not considered of any permanent value, but for the merchant it certainly pays. To have people like you means that they will come to your store them-

Store Management—Complete

selves and send their friends as well. Popularity pays if it does not cost too much. Take pains to make people like you and they will take pains to do you all the good they can.

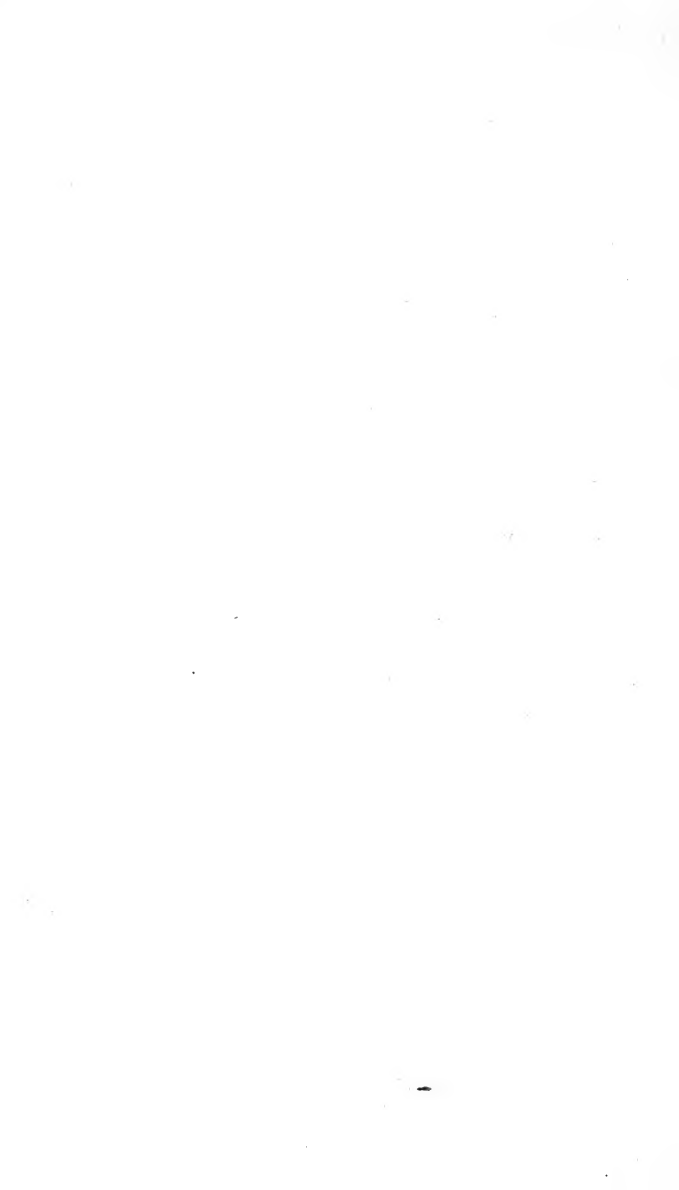
When you go to meals, stop in once and a while and talk business over with some merchant on your route. Make plenty of these little calls and make them in a casual way and you will soon find that you are getting better acquainted and more friendly with your fellow merchants in all lines. When you fall in with people in the street and have a chance to walk along with them for a block or two, do it and make it count. Go out of your way to get a chance to increase your acquaintanceship by means of these casual visits.

It is all right to work hard and long and waste no time but no man can work all the time and not get so deep into a rut that he cannot see over the sides. The man in a rut soon becomes in business stature a runt.

All this that I have said about visiting with your business neighbors has been with a view to showing you where it would benefit you in a financial way to be a mixer. Nothing has been said about the general good of the community which will be advanced by co-operation among the merchants and the promotion of good feeling. Nor have I said anything about the advantage



*Let the cheap help do the cheap jobs.—See
page 154.*



Store Management—Complete

to you of doing your fellow men a little good as you go along, being more of a human being and less of a money-making machine.

While your competitors will do you less good than any other merchants it is almost more important to be on good terms with them than with some others. You know how it is when a customer comes in and asks for something you are out of. You will send the customer who asks you who else handles the goods, to the fellow you like.

Right here I am reminded of an instance where the competitors of a new store showed their good will and friendly attitude by sending to the new store's opening large floral pieces and general good wishes.

The man who opens a store in a town where his competitors greet him in so friendly a spirit as that can scarcely turn around and knife them if he has any decency about him at all.

And then there are often times when one wants to borrow stock from the other fellow. If he has been treated fairly he will be willing to help you out. If he has not, he will refuse you and and you cannot blame him.

The borrowing proposition is a poor one at the best and the dealer who can get along without having to ask favors of his competitor will be in a position where he can refuse requests

Store Management—Complete

from the man who has the borrowing habit and is likely to become a nuisance.

I have had competitors who seemed not to know what it was to get discouraged, who would come back day after day in spite of a consistent and persistent refusal of every request.

It is all very well to accommodate a competitor once in a while. There are times when it is a fair request that you loan a bit of stock or sell it to the man across the street. But when the other fellow gets to a point where he seems to be depending upon you to carry a stock for him, it is time to cut him off.

If a competitor will not be reasonable in his requests, refuse them all and then refrain from asking any favors from him under any circumstances.

The best plan in any case is to have an understanding with competitors that when any of you want to get stock from the other man in the same line you are to pay him a price that will give him half of his regular profit and pay it in cash, with the understanding that in the case of price protected goods the full price must be paid in cash.

There are plenty of days when you have time to spare, time to get out and see what kind of fellows the other men in business in your town

Store Management—Complete

are. Take advantage of such opportunities. If you don't like to go and spend half an hour in some other man's store, call him up on the telephone and tell him that you have a good cigar waiting for him and that you'd be glad if he would drop in and talk over local business conditions a little just for the fun of it.

Make it a point to have occasional little parties along this line on dull days. Call up three or four men whom you think are not busy and ask them in for a little while. Tell them that you have something you would like their opinion about — and then have some scheme for the benefit of the town that you can bring up just as an excuse.

It is often possible to start a profitable co-operative movement in some such informal way as this.

Co-operation among merchants is going to be the keynote of the big retail successes of the future. Instead of a few merchant princes we are going to have closely knit associations of smaller dealers who will buy together and work together for mutual advantage.

Such organizations are already making good in some lines and are proving themselves to be serious factors, with the ability to secure special terms from manufacturers and to uphold prices

Store Management—Complete

in the face of cut-rate tendencies on the part of the department stores.

You remember the old fable of the man, the sons and the bundle of fagots? Each son was handed a single fagot which he broke easily. Then the father tied the remaining sticks into one large bundle and told the sons to break it. Of course they could make no impression upon the collected bunch.

And this illustrates exactly the strength of co-operation. Any single small dealer alone is no match for the strength of the Big Store competition, but let a dozen, or fifty, or three merchants combine their strength and set out to hold the trade that is justly theirs from being taken from them by the bigger dealer and the latter will find that he has "struck a snag."

Let me tell you what the merchants in the writer's home village did at one time to prove the value of co-operation.

Business of all retail sorts was going away to the larger nearby places. Not that people could buy to much better advantage in those places, but you know how it is. The larger town always draws from the smaller. Bigger assortments, better stocks, more stores, do the trick.

Also much business was going to the large catalog houses.

Store Management—Complete

A time came when a few of the local merchants woke up and decided that co-operation would do much to bring to their village a good deal of the trade then going elsewhere from right under their noses.

An organization was formed called the Prosperity League. It was planned by two or three men and was to consist of all the retail merchants, business and professional men in the place. A self-organized committee of six, calling themselves the executive committee went to the business people and asked them for eight dollars each for the year's work. This comprised an initiation fee and a dollar per quarter for dues.

The committee stated at the outset that they expected to be allowed to use this money just as they saw fit with no restrictions whatever. It was to be turned over to them without limitations and though they would probably call upon the merchants for advice and suggestions, they would in reality be a law to themselves and responsible to no one for the use made of the money.

This left the executive committee free to be and to do the whole thing in their own way and inasmuch as the work in such an organization has to be done by a very few anyway, this placed no restrictions upon what they should do.

Store Management—Complete

It might seem that it would be difficult to get the merchants in a town to give up their money for such a purpose with no string attached to it, but the committee was made up of men in whom the rest had every confidence and they enlisted the sympathies of practically every business man in town, securing some sixty signatures to the agreement to pay, making nearly five hundred dollars in money available.

One of the first things the committee did was to plan for a "Bargain Week." This was to be an effort to interest all the people within trading distance of the village in the stores there and to show the fickle public that they could buy as well at home as elsewhere and also to show them incidentally that they might a great deal better do their buying at home and keep their money in circulation where it would perhaps get back to them again.

This Bargain Week sale was not to give the public a chance to get a lot of goods for cost or less but to get them started trading where they really ought to be trading. It seemed with reason that if the committee could get these people into the merchants' stores during that week, the merchants themselves by means of the available advantages ought to be able to please those people well enough to make them want to come again.

Store Management—Complete

This was to be a sort of opening wedge and was to be followed by all the live and larger merchants with plenty of advertising sent to these people who had been interested by the Bargain Week with a view to getting them to come back again.

Every merchant whether a member of the Prosperity League or not was asked to place on sale for a certain week some obvious bargain. It was expected that each would sell some one line or article of general use at a price at or perhaps below cost with a view to making it a leader. It was understood that other members selling the same goods were not to consider this temporary cut as permanent in any sense or done for personal benefit.

The whole scheme was with the idea of bringing as many people as possible to town who had not been in the habit of trading there and getting them started to coming there for shopping.

All special offers had to go through the hands of the executive committee in order that there might be no duplicating of the same offers. The committee acted as a clearing house for the different bargain propositions.

When the details were all arranged advertising was put out in the nature of a catalog of the different bargains and in individual and League

Store Management—Complete

newspaper advertising. The League did a large amount of advertising and it was done with League money, though the merchants who advertised in the big pamphlet or catalog were charged for their space.

The week sale proved a big success, accomplishing just what the promoters set out to accomplish. Of course there were some "knockers" as there are in the case of every progressive movement but practically every store that advertised any bargains sold a lot of those and enough other goods to make them a good profit on the week's business in spite of any reduction it might have suffered through the cut in certain prices.

In addition to this single Bargain Week the Prosperity League did a great many other things for the general good of the town. The province of such an organization is practically unlimited and every village and town should have one. The cities all do have something similar and so do many smaller places. In a great many cases there are live organizations doing a good work but also in many cases they are dead and worthless and should be superseded by something alive.

Any merchant who lives and does business in a town where there is no live merchants' organization ought to talk up with his fellow

Store Management—Complete

merchants the advisability of starting something. Such an organization to be a success, needs one man who will take up the brunt of the work and assume a large proportion of the responsibility. You yourself may be just the man, or you may know of another merchant who is qualified to take the lead. Get that man into the harness. If he is disinclined to assume the responsibility, bring all the pressure you can to bear upon him and in all probability you will be able to get him to agree to act as leader for a limited time at least and there should be an understudy preparing to take his place when he cannot spare the time for it any longer.

Co-operation can accomplish wonders. With the merchants of any town or village pulling in opposite directions and each one jealously guarding his own individual interests with the fear constantly before him that some other dealer will get a customer away from him, there can be no co-operation and no pulling together for the general good.

This jealousy and this every-man-for-himself attitude is due to a great extent to the fact that the merchants do not get together. They do not realize that there are good fellows right in town in the same business as themselves and they do not realize that three shoe dealers or half a dozen

Store Management—Complete

cigar dealers or four or five dry goods men pulling together with a view to getting some out of town trade to come in can accomplish in that direction ten times what any one of those dealers can do alone.

All the big successes of any kind that you know of among merchants are the result of co-operation. Co-operation is the only gate to Success for a community.

In the larger towns luncheon clubs or something of that sort are possible and of great advantage. If the town is one where the retailers take their noon meal down-town, away from home, the planning of a daily or a weekly, or even a monthly general luncheon when these men shall get their meal together and have a kind of general visiting time, with possibly a short address by some out-of-town business man who can talk to them about something of interest, will result to great advantage.

This plan is easily engineered in a city and can without much trouble lead to the formation of an actual working organization. In fact that will be the natural outcome of such a plan.

In the smaller places where the business men go home to the noon meal this cannot be worked out so easily, but it is possible to have an informal dinner one evening a month to which all

Store Management—Complete

the merchants are invited and at which a talk will be given by some successful merchant from a nearby town, or perhaps sometimes by some man with a real reputation. If there is a local merchant who can give snappy ginger talks on business subjects, he will fill in many gaps.

In putting on dinners of this sort there must be more than a general invitation to the merchants to come. They must be seen personally and their attendance pledged. Nothing short of a good deal of personal work will make a success of this or any other co-operative plan.

Co-operation is simply a more extensive and complete form of neighborliness and it pays. Cultivate your neighbors and work with them.

CHAPTER IX

WORKING HOURS

Some merchants work all the time they are awake except a few minutes grudgingly given three times a day for meals. They get up early and shave themselves. They have their wives cut their hair after they shut up the store at night and they take their baths on Sunday, all to save time to work.

That is not a very nice commentary upon the intelligence of the genus Merchant, but the average merchant spends more time on his job than is necessary, albeit he spends perhaps less intelligence.

It is not as necessary for you to spend more time on your business as it is for you to spend more brains and less time.

However, the questions that arise in connection with the hours of work for a store, the times of opening and of closing, the hours of employes of all sorts and the times to be given to special sales and to their management have a good deal

Store Management—Complete

of interest to the merchant and are well worth some study and consideration.

One of the first rules is that you cannot sell any goods when the store is closed.

It is all very well to cut down the hours so that yourself and the "Boys" will not have to work evenings or get out of bed in the dark on cold winter mornings, but before you cut off any time from the store's open hours, be sure that you are not cutting off as well a good slice of the receipts.

The stand that the shorter hours men take is that when people find that a store is not going to be open evenings that will adjust their buying so that it will all be done in the daytime and they will buy just as much.

This is all very well, if it is true. But in many instances it lacks a good deal of coinciding with the facts of the case. Many goods in many stores are sold for immediate use. Such goods as are for immediate consumption like candy, cigars, books, etc., are wanted right away. To-morrow will not do. To-morrow the demand is gone. It may bring its own demand, but not the demand of the night before.

There are many things to be considered before signing an agreement to close up at six o'clock during the summer, or during the winter

Store Management—Complete

or for some other limited time when business is supposed to be poorer after the whistle blows.

In the first place, are your competitors going to close also? Are all of them signing the agreement, or is there a struggling little fellow around the corner who is left out? It may be that that little merchant has the brains and the inclination to develop into a bigger merchant than any other in town and he may take advantage of this general closing agreement to get a hold upon some of the people who would not think of coming to him if any other store were open. And he may have the business ability to make the kind of use of the occasional visits of these customers of yours that will bring them back to him, next time in daylight.

Or there may be a general store that is trying to develop its trade along the line of the goods upon which you specialize. This general store may refuse to close early and you think it does not matter. Aren't you taking chances playing into that merchant's hands in that way?

Is there in your town a class of trade that cannot get to you in the daytime? Are there factory hands who are unable to shop except after factory hours? Don't think that these people will spend as much money in the short half

Store Management—Complete

Saturday holiday when there are various temptations to visit ball games, trolley parks or what not, as they will if your store is available and tempting them every evening in the week.

And then in the country village where there are no factories, there are times, such as haying or harvesting, when the farmers cannot go to town in the daytime and will drive in at night. Also there are occasions when evening attractions will bring people into town at night and those people if they have an opportunity will do some shopping then.

If a store can afford to close up at six o'clock, all well and good. So much the better for the people who do the work in that store. If it cannot, then it may well increase its expense a little in order to keep open.

The fact that other stores in your line are going to close, or want you to close, is no argument for your doing so. Your own circumstances and your own business conditions and situation must be the rule for your action.

This is not a plea for long hours. No one likes short hours any better than myself, or appreciates more the privilege of getting out early. But business is business, and if a man is going to succeed at it, he must expect to make some sacrifices. His store must have the right of way

Store Management—Complete

— though he should never sacrifice health in following the game.

Consider well whether it will pay you to keep open nights, and if it will, then keep open plenty late enough. Put on some extra short time help for the evening session and then go after the evening business to make it pay you. Arrange so that part of the force will come in later in the morning and work evenings. There should be no difficulty in making the scheme work without the necessity for giving anyone too long hours.

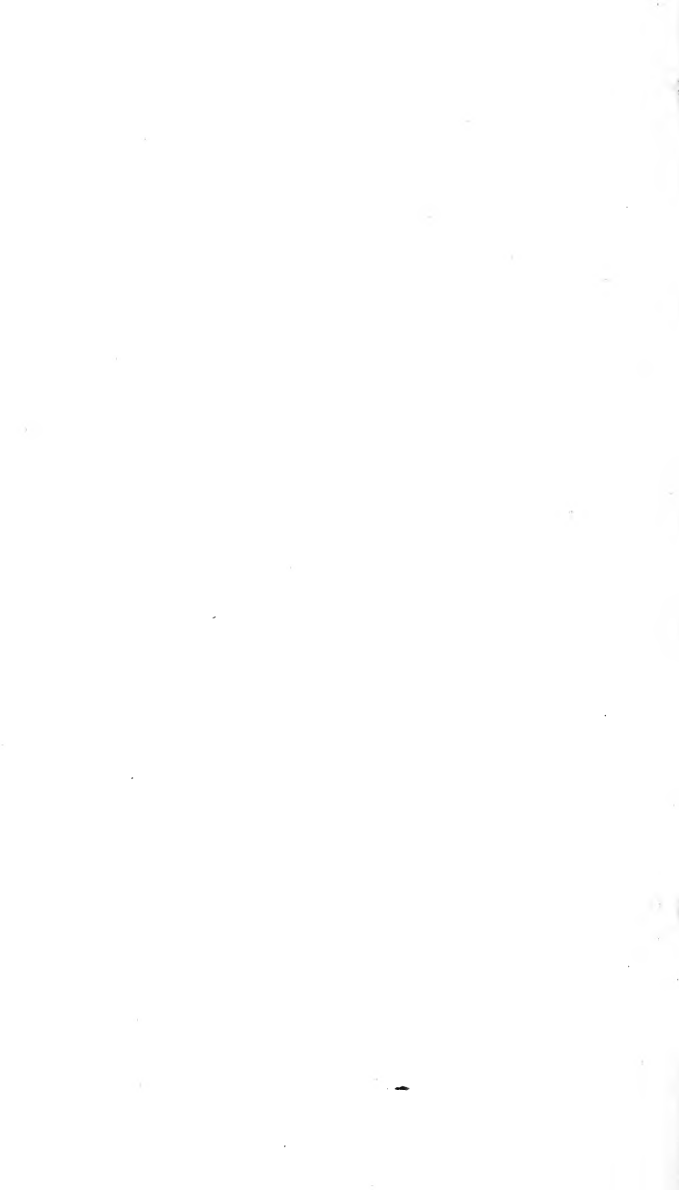
In a town where there is a well developed evening trade, it seems that it might be better to arrange for a closing of one afternoon a week rather than to lose business by closing every evening. The postponement of a sale by early closing is no great matter. The money will be as good when it does come. The only fault to be found with early closing is that in many cases it reduces the bulk of business. People who get along until to-morrow without, often find it inconvenient to rush right downtown again to-morrow, and the first thing they know, they have got past the point of buying.

It is just as it is with the sale of seasonable goods. When a man with a stock of summer clothing meets with cool, wet weather up to July, he finds that a lot of the men who were going to



*Call him up on the telephone and tell him you
have a good cigar waiting for him.—*

See page 163.



Store Management—Complete

get new summer suits, have been wearing their heavier clothes right along and now they find that they can make the last summer's suit do until September and a sale is lost that will never come back.

However, there are many instances where early closing is right and proper and when it is justified, it should be done, because mighty few merchants of any calibre whatsoever get too much relief from business.

In one town known to me there is a general early closing movement which works so satisfactorily that you never see anyone going storeward after five o'clock and by six the shopping section is as deserted as on Sunday. This is a town of some 15,000. A town not fifty miles from that one does a big after supper business for no other reason than that the merchants cannot get together. Just as soon as the women of the town get their supper dishes out of the way they hang up their aprons and make a bee line for the stores and don't come home until they are forced to do so by the merchants locking them out. It requires no prophet to tell in which town there are the most happy family gatherings in the evening.

Just as anyone can do more work working forty-eight or fifty weeks of the year than

Store Management—Complete

working fifty-two, so anyone can do more work in a reasonable length working day than in one of unreasonable length. When a man has worked so many hours, he begins to lose his grip and his work suffers in consequence. He does not do as well and he unfits himself for the next day. There is nothing gained by overworking proprietor or employes.

Any agreement to close up early ought to be made to include every merchant who can by any possibility be inveigled into it. No man should be left out who will prove dangerous to anyone who closes, or who will make capital out of his not closing.

Neither should there be countenanced any violations of the agreement. If you agree to close up at a certain hour, then close up. Don't be the one man who will always hang on five or ten minutes after the hour in the hope of gathering in a stray customer who was too late for the other stores. Play fair or get out of the game.

As to opening hours in the morning, you know what time business begins. If you don't know and never get down in time to see the store opened, try getting around early for a week and see what you find out. You will probably discover among other things that your store is not

Store Management—Complete

ready for business within a quarter or half an hour of the time you thought it was ready.

When you have found out what time you need to be open mornings, see that you have somebody there at that time. If you have no clerk who can be depended to open up when the hour strikes, get one who can. There are clerks to be had who will do all you want them to even if you are not standing over them with a club all the time.

And when you plan to have your store ready for business at a certain hour see that it is ready to an extent further than merely having the door unlocked. The sweeping and general cleaning that needs to be done every morning ought to be out of the way when customers begin to come in. It is not agreeable to a customer to go into a store early in the morning and to find the floor half swept with little piles of dirt here and there and the goods either covered up with sheeting or covered with dust while the clerk has to set the broom in the corner and leaves things just so in order to sell goods.

This condition means that such sales will receive only half attention and be satisfactory neither to buyer or seller. Of course it is not practical in the average store to have the cleaning done so early as to be all over with when the

Store Management—Complete

door is unlocked for trade, but it can be the duty of certain clerks or a certain clerk to do the cleaning while another should be on hand ready to wait on customers promptly at the same time.

Many a store that is otherwise well managed causes nothing but complaint on the part of those who find it necessary to shop there early in the morning.

Sunday closing requires attention in some lines of business, while in others there seems to be no inclination to open at all on that day. The man who cannot get along without doing business on Sunday unless he is a purveyor of necessities which people must buy on that day, is indeed unfortunate. He needs the day's rest more than he can possibly need its money.

Of course there are merchants who would not close up Sunday or at night or at any other time if by any possibility they could remain open. They make it hard for themselves and hard for their competitors. But I believe that unless a man **MUST** keep his store open Sunday for reasons which justify him in doing so, he should close up tight and not go near the place from Saturday night till Monday morning, no matter what the other fellows do.

The observance of holidays sometimes causes a loss of trade by reason of the extra crowds that

Store Management—Complete

may be in town at that time. It is difficult to get satisfactory work out of clerks who want to be out with the crowd, but in a store where the rule is to keep open on all days when there is likely to be a profitable business, there is less dissatisfaction than for a store that always closes to violate its custom and keep open.

When the clerks have been educated to expect a day off on all legal holidays, they feel deprived of some of their rights if they have to work on one of those days.

In a city no one expects a store to be open on a holiday unless it sells goods that are in especial demand at that time. In the smaller place it is different. Stores are supposed to be open at any time when people want to buy goods. If the holiday is going to be one that will make it profitable for the store to remain open, it may be possible to arrange with the clerks to work on a basis of extra pay or a day off at another time to make up, or part of the force may work part of the day, dividing it up in some such way.

The clerks are entitled to a fair deal in the matter. If they have been led to expect their holidays off, they should have either them or some kind of an equivalent.

In a large store it is scarcely possible to give individuals extra time off as requested without

Store Management—Complete

causing dissatisfaction. The employee is entitled to a certain vacation, let us say. Then make a rule that each clerk shall have extra days or half days off to the number of so many during the year, for pleasure or to be used as desired, to be allowed or asked for, but not given unless requested.

In the smaller store where employes are few and all under the direct control and observation of the manager it may be feasible to allow occasional half days or days off on request without following any rule in the matter save to see that there is something like a fair average and that no one man gets enough more time than the rest so that there can be any cause for complaint. Keep things of this sort as nearly even as possible in order to avoid jealousy or discontent.

As to the matter of giving employes vacations on full pay, this is a matter for each employer to settle for himself. Usually in a store where the clerk is paid a stated wage per week, when he takes a voluntary leave of absence, he loses his pay. If he is sick for a short time, the fair employer will usually make no deduction for loss of time. If he has to be off for an extended sickness, especially if it is manifestly caused or contributed to by his close application to his work, the employer will generally keep him on part pay

Store Management—Complete

or make a lump contribution to help offset the necessary loss. The main thing is to make the clerk feel that he is getting fair treatment.

A man who is hired for so much per year, of course gets his pay whether he takes his vacation or not, the matter of a vacation being incorporated in the original agreement upon hiring.

All such matters should be taken up when the clerk is hired. The matter of any special rights or privileges out of the ordinary ought to be settled then and there. It is much easier to arrange such matters in advance and have them satisfactory than it is to make them up separately, time by time.

When a man knows what to expect he is not constantly being disappointed.

At busy times of the year it is often necessary to ask help to work overtime. This is particularly true of the Holiday season when business is at its greatest and keeps everyone going at top speed, not only during the regular store hours, but extra hours as well.

It is scarcely fair or liable to be productive of the best feeling to ask clerks to work this extra time with no extra pay and no additional remuneration beyond a present of an alarm clock for Christmas.

It ought to be the custom of the store to pay a

Store Management—Complete

certain rate for overtime or to give each employee an arbitrary bonus for Christmas. This season is the one that produces the most extra time for most stores. Of course there are many lines in which the business is admittedly much larger at some times than at others, but this does not require the excessive strain that the Christmas trade calls for and is more a part of the legitimate store work.

Special sales sometimes call for overtime and this should be paid for if it amounts to enough to make it worth while. Of course a quarter or half hour over now and then is nothing more than the clerks should expect. There is no business in which everyone gets through right on the tick of the watch unless he is a mere machine with no responsibility whatever. A good clerk does not object to a reasonable amount of overtime when it is for the good of the store.

But a special sale may be designed to call for extra time, the store being kept open more than the usual hours.

"After supper" sales are a popular form of sale designed to bring in some business that otherwise would go somewhere else. They are a valuable means of developing extra business. When a store that normally closes at eight o'clock puts on such a sale it ought to plan to keep open an

Store Management—Complete

hour or so later than usual. After supper sales usually run for several days or a week.

No special sale should be put on without special preparation. The simplest kind of a sale cannot be expected to succeed if it has no advance thought in getting ready for it. There must be first an examination of the stock for the sale to see that there is enough of it to meet any reasonable demand. The prices must then be fixed. The questions must be answered, whether it is stock that must be sold at any price to prevent it from going lower than it already has gone, whether it is stock that one can afford to reduce at all, or more than a mere tithe, whether it is stock that can be used as a sales leader by selling it for less than cost, though it be staple.

The advertising of a special sale is most important and upon that hinges frequently the success or failure of the sale. However, advertising matters are not within the province of this book.

When one plans a special sale, he should sit down and lay out a regular program for it. This program should call for an examination of stock with orders to the clerks to get the stock out and into proper shape for selling, making it look as attractive as possible. There should be window and inside displays provided for, advertising, show cards, selling schemes and attractive

Store Management—Complete

single and combination prices. The greatest of care should be given to the selection of the date and the name and style of the sale.

There should be provision made for extra help in case the sale is to be large enough to require any. This help must be given instruction in its work and the goods it is to handle. This can be done in a few sessions after closing.

In bringing temporary help into the store extra caution must be used in order that there may be none left to the temptation of putting money into their pockets. Such help as this whose reliability may be to some extent unknown ought to be hedged about with all possible cautions, not only on account of the possibility but also on account of the greater chances of such help forgetting to charge sales not paid for, or to make mistakes in change, etc.

One of the important things to be remembered in connection with a special sale is the fact that the people who are brought in by attractive offers of goods at low prices must, whenever possible, be sold other goods in order to make the sale net a proper profit. The profit on the sales goods is usually rather small, sometimes nothing. There must be an attractive display of goods that do pay a profit, seasonable goods that will sell on sight, and the clerks must be particularly in-

Store Management—Complete

structed to see that no interest in these other goods on the part of a customer is neglected. It is this that renders it almost imperative that a sale must be abundantly supplied with clerks if it is to be a money maker. The regular force by going on a run will be able to get rid of a lot of goods if getting rid of goods is the sole object of the sale. However, there must be time for salesmanship if the goods not offered at cut prices are to be sold in any quantity.

The ability to handle special sales marks the ability to succeed in business building. He who cannot handle a special sale to advantage and must depend upon the regular round of every day business will not grow as fast as he otherwise might. Nowadays people feel a greater interest in the store that keeps prodding them with new and different propositions.

There is no standing still in business — not even when the store is closed up. With the curtains down and the door locked your business is still growing or shrinking. But with the door locked when it ought to be open you can be certain that you are not only losing sales, you are also losing customers.

Keep your store open when it ought to be open and keep something doing while it is open. Then the business will grow, even with the door shut.

CHAPTER X

EXPENSES

The cost of doing business is just beginning to receive the attention it deserves from the average merchant. There has in past years been too much mere buying and selling with a variable amount added to the buying price to produce the selling figure.

This kind of business management has sometimes produced satisfactory and profitable results, and men have made money at it, but it has been in spite of the method rather than on account of it. The element of luck has entered altogether too much into the proposition.

Merchants are now beginning to take more notice of the necessity for care in handling their finances. They realize that what has sometimes appeared to be a profitable sale has many times been quite the reverse.

The selling of an article that costs a dollar for \$1.25 when the cost of doing business in that store is 25 per cent., as it often is in a city store,

Store Management—Complete

instead of producing a small profit produces an actual loss.

The idea that so long as most of the goods are sold for a price that covers the cost of selling and something beside, some articles can be sold for a small gross profit and produce just so much "velvet," has passed by. There is only one way to make the store pay and that is to see that every department produces its share of profits and pays its share of expenses. Of course there may be times when goods must be sold for cost or less, either to get rid of dead stock or to bring trade. In the former instance the loss must be charged up against the department and deducted from its total profits, while in the latter the loss ought to be charged to the advertising account.

If the store is not departmentized in such a way that every department can be called upon to show a profit or a reason why there is none, then it is necessary that much more general caution be exercised and all close sales watched carefully to see that there are not too many sales at a loss and that there are no unnecessary ones.

Every merchant ought to know four primary facts about his business. He should know what his percentage expense is (finding it by dividing his total expense by his gross receipts) ; he should know what his gross profit figures on the average ;

Store Management—Complete

what certain specific lines produce in the way of profit, and what his total net earnings are each year.

A good many men who give the matter little thought do not realize how little they do know about their store finances beyond the amount of money they take in and the amount they pay out.

Many a merchant is to-day carrying along special lines of goods that are not paying him a single cent of net profit. He carries the line because he does not know but that it makes him money. He has never kept any separate record of the gross profits of the line or of the cost of selling its goods. He knows the business as a whole pays him, or at least he is getting a living out of it and beyond that he does not care to go.

In the large business a merchant may easily get a living for several years without knowing that his profits do not make him what his living costs, and all because he is not sufficiently careful in the matter of annual inventorying.

In the first place all percentage figures must be made on the same basis. It is not so important whether you figure percentages from the selling or from the buying figures as long as you figure them all from the same basis and do not try to

Store Management—Complete

compare them with others made on a different basis.

The proper way, however, is to figure cost of doing business upon the selling price. The percentage of expense should include the proprietor's own salary, depreciation, interest on investment and all other legitimate charges against the earnings of the store.

There ought to be a difference of ten per cent. or so between the percentage expense and the gross profit per cent. It is right here that the net earnings of the store come in. If the total expense and the gross profit figure out the same, you are getting your salary and nothing more for your investment. You might better be working for someone else and getting the salary without the accompanying risk and anxiety that you now carry.

The difference between the expense and the gross is what you get for investing your capital and carrying the responsibility and chance for loss.

It often occurs that the gross profit of the business is suffering because of some one department or line of goods that is not paying a profit and the owner does not know that fact. Every line should be carefully watched and when

Store Management—Complete

one is found that is a losing proposition and is not bringing in the public to compensate for its cost, it should be thrown out unless some way can be found of making it pay.

Store accounting has something like terror for a good many merchants of the smaller class who are not watching their finances as carefully as the big stores watch theirs, though they ought to watch them even more closely.

There is nothing complicated about getting your percentage of expense. There is nothing complicated about knowing right where you stand if you will take the time to make a few figures.

From the gross cash receipts of the year's business subtract the gross payments for goods. This will give you the gross profit.

From the gross profit subtract the total expenses and you will have the net profit. If the inventory shows an increase over the stock of the year previous, add the increase to the gross and net profits. If it shows a decrease, subtract instead of adding. This is the sum total of finding out what you have done for the year as a whole with the stock as a whole.

It is not safe to estimate anything about the business. You must absolutely know what every figure stands for and that that figure is correct.



Every agreement to close up early ought to include every merchant in town.—See page 178.



Store Management—Complete

If the day arrives when you want to sell your business, the buyer will want something beside estimates. The fact that you have paid all your bills and apparently made a good living and accumulated something beside will not prove to the prospective buyer that you have made any estimated net profit. The buyer of a business will insist upon seeing just what you have done and how you have done it. He will even want to see your bank book and inquire about exceptional items that might indicate padding of some sort.

In figuring the amount of money it has cost you to do business during the year many things ought properly to be taken into consideration before announcing your profits on your investment.

To begin with if you have real estate that is being used in the business, it cannot be assumed that you pay no rent and it should not be assumed that what is equivalent to rent is what it costs you to keep up the property. You should charge the business with what rent you would have to pay for the property if it were rented instead of owned, since if you were not using it for your own business you could be renting it for that sum.

There should also be included interest on the

Store Management—Complete

investment in force at the beginning of the year, though this ought not to include the real estate since you are allowing a rental on that.

I have had communications now and then from merchants who do not include their own services in their expenses. One man, I recall, ran his store himself with only his wife's assistance and figured his store expenses as not including any clerk hire at all, and made his prices on that basis, even advertising that because he had to pay no clerk hire he could sell goods so much cheaper than the other merchants. The expense account that does not include an item allowing for the proprietor's salary at what he could get elsewhere is not complete.

From the net should also be figured the depreciation upon the stock of goods that is carried over. In other words, in making the inventory, allowance must be made for depreciation of both stock and fixtures. There should also be an allowance made yearly for depreciation of accounts, as well as for the totally lost accounts of the year.

Subscriptions to trade journals, donations to charitable causes, etc., should be included in expenses, unless you have a family expense which covers all forms of charity giving.

If you want to know what you are actually

Store Management—Complete

making on any particular goods, subtract the expense per cent. of that selling price from the selling price and the net cost from the remainder and you will have the net profit on the item. This proceeding will open the average merchant's eyes if applied to a number of pieces of stock.

When a year's per cent. of expense has been figured up, it should supply a basis for marking goods during the succeeding year. For instance, if you find that your percentage of expense for 19— has been 20 per cent., you will be foolish if you continue to mark your new goods with a price that will show a profit of only 20 per cent. or less. One of the most important results of careful attention to expenses is the ability to forestall disaster by raising prices before losses from too cheap selling have become so obvious as to force themselves upon your attention.

And in figuring profits one ought not to hesitate to put on a large profit wherever it can safely be done. It is impossible to fix an arbitrary profit and apply it to all goods throughout the stock. It is the average that must be right and this is to be maintained by putting a large profit on all items that will allow it and thus making up for some of the short profit lines.

In a case which recently came to my notice a concern doing a large retail dry goods business

Store Management—Complete

found at the end of the year that while they had sold a large amount of goods and apparently at a fair profit, the profit was not there on January first. No amount of figuring served to show just where the fallacy lay. At considerable expense they installed a working plan by which they could subsequently tell at any time how the business stood in detail; how much stock was on hand, how much profit each department was paying, etc. Something of this sort is what every large and well organized store requires. If your store is small you can install some sort of a system yourself which, by recording closely all purchasing and all sales, both cash and credit, as well as figuring depreciation, expenses, etc., by the month instead of by the year, will give you very closely your position at the end of the month.

It is sometimes difficult for the merchant to estimate properly the depreciation in fixtures, etc. They show little difference from one year to another except in the case of accident, but the wear takes place and it may be estimated closely by making a careful figure on the total number of years a certain article will last. If a show case can be used for fifteen years, then a depreciation of one-fifteenth would be proper each year.

Store Management—Complete

Speaking in general, however, deterioration of fixtures is estimated at about ten per cent. per year. Deterioration in the different lines of stock should be figured in absolute values as shown in a carefully taken inventory rather than in an arbitrary percentage.

The safest way to keep expense account is to have a book for the purpose and enter therein every item properly chargeable to cost of doing business. When in doubt, set it down, for it is more than likely that the total figure will represent less rather than more than it should do at the end of the year. There is much more danger of a merchant figuring his expense too low and hence marking his goods too low than there is of his marking them too high. The tendency of the time is to get profits down while prices are all the while going up.

Better prices ought to mean better profits, and they will if the merchants will look after their profits more carefully. The large number of failures in business every year means simply that too many men have been trying to sell goods at too little profit. Bear this in mind when you are wondering how the man across the street can afford to sell so cheap. Consider the situation well and you may find that he cannot afford to, that he is doing it in the face of all business

Store Management—Complete

rules to the contrary, and then it is only a question of time with him. He will either have to come up on his figures or go up on account of them.

No man can sell goods long without a profit. The worst cut rate store that ever butted into the game has to have a profit and it is no exception to all the rules that govern your business and mine. Rather the cut rate store has to pay a closer heed to business rules, for it is boastfully lopping off before the public's eyes a share of what the other stores have been putting into the profit column.

The cost of doing business is increasing from year to year and the merchant who continues to handle his affairs as he did years ago and on the assumption that his cost is not materially different is making an expensive mistake.

The legitimate expense varies with different stores and different lines, but don't forget that little difference of ten per cent. that ought to exist between the expense and the gross profit. This per cent. difference can be maintained by keeping expenses down or by keeping profits up, but you will have to do it by mixing both those methods judiciously.

In increasing profits it is well to go over the lines upon which competition is light and mark

Store Management—Complete

up what you safely can. Then by introducing high grade goods, exclusive agencies, etc., you can eliminate some of the competitive price reductions. Get good prices for breaking packages and for the small amount of bulk goods. Don't sell infinitesimal quantities without getting a large percentage of profit on them.

In reducing expenses, be careful what items you lop off. One of the easiest to cut down is advertising cost. It is about the most disastrous cut one can make, too. When a merchant sets out to cut down expenses, there stands the advertising expense, as conspicuous as a sore thumb. It is a good sized expense and is a shining mark for the knife. It looks as if that at least could be cut in two and not affect business very much. But that should be the last cut made. Unless it is really too large for the size of the business or for its possibilities, it ought not to be cut at all.

It may be that you can get along with one less clerk. It may be that your delivery expense is out of all proportion to the business produced by delivering goods. See if other merchants on your street aren't tired of so heavy a delivery expense and arrange for a co-operative system that will reduce the cost two-thirds or maybe seven-eighths.

It may be costing you more to light and heat

Store Management—Complete

your store than it should cost. Your windows may not be working as hard for you as they should and that in a way costs you good money. Your cash system may be incomplete and your clerks may be getting some of the money that ought to be your own. You can find out more about the expenses in Chapter VII. But whatever expenses you cut down, use some judgment in the matter and don't make cuts that will net a loss in sales to more than make up the saving. In other words, avoid anything like a penny wise, pound foolish plan.

And just because you succeed in reducing expenses appreciably, do not at once let go that small amount of slack you have acquired by lowering prices on some line of goods. Keep up prices wherever and whenever possible. You will never make too much money and it is time enough to reduce profits when you have to do it in order to hold your trade.

And now we come to that all important thing, the annual inventory which all merchants dread and may omit entirely. The man who does not take an inventory cannot possibly know how much money he is making or whether he is making a living or not. He does not know much about his own affairs and need not wonder at any business calamity that comes upon him.

Store Management—Complete

If it looks to you at the end of the year as if you had netted a certain profit on your business, say \$500, and you do not take inventory, you may go on in the blissful belief that such is the case, while in reality you have simply reduced your stock by about that much and have just come out even, the \$500 representing goods sold and not replaced in stock.

Variations of this consideration might make you either a bigger winner than you realize, the stock being increased rather than decreased; or a heavy loser, the stock having decreased by a sum greater than the apparent gain.

In an average business it is easier than the merchant realizes for a variation to take place amounting to from two to ten hundred dollars in stock without it being apparent in the appearance of the goods in the store. You who are running one of the smaller stores may think that you can detect any very important discrepancy in stock, but a careful inventory, allowing for depreciation, dead stock, etc., will open your eyes.

There was a time when it was less important that every item of a business be figured down to an allspice. In that day competition was less keen. It was farther away. Each store could, much more than now, make its own figures on goods with less regard to what others were

Store Management—Complete

doing. Nowadays transportation methods have brought us all into competition and no store can be run upon an independent basis. Everything must be reduced to actual figures and the smallest business should be run on a scientific basis.

An inventory is the beginning and the end of all business figuring. You cannot start a business properly until you have an inventory of what you are starting with. You cannot wind up a business, or even a business year properly, without an inventory. The man who takes no inventories is like the man who would never count his cash, simply indefinitely taking the reading of the cash register for the amount there.

Like all tasks that we dread the inventory taking is not as bad as it seems. Once into the job and working hard at it, it is soon got out of the way. It should not be allowed to drag. Every man in the store ought to be put right on that one task and everything that can be allowed to wait ought to be made to give place to the inventory work. It will facilitate matters greatly if this stock taking is preceded by a general arrangement of goods in the best shape for quick handling.

The goods ought preferably to be invoiced on the basis of location. The store may be divided into sections which are numbered and the goods

Store Management—Complete

listed by such sections. This makes taking inventory simpler. It makes it easy to refer to any special item on the list afterward and it makes it simple to prove losses in the case of fire which destroys a part of the stock.

All inventory prices ought to be figured at the market rate at the time of stock taking. To take cost prices, perhaps six months previous as a basis is a mistake and may result in a decided variation from actual values.

Prices ought to be figured by the dozen when market prices are given in that way and by the piece when so quoted. Uniformity in plan of pricing as in all the rest of the tabulating makes for rapidity and accuracy.

If it is desirable that the finished inventory be all included in one book, let it be taken on loose leaves that can be filed in a common binder. At all events, get the inventory down in such shape that it can be examined as needed. An inventory that is an inventory only in name and in total figures is of little value except to show how much stock you have altogether.

Many things turn up in inventorying. One discovers more or less stock that has been forgotten. Some dead stock turns up. Some duplicate live stock is also generally unearthed. Much dirt is also discovered and disposed of.

Store Management—Complete

Stock taking results generally in something of a housecleaning. It familiarizes the workers with location and quantity of stock and with prices and qualities in a way that nothing else does. It is valuable breaking in for a new man who does not know the store.

It may be safely said that no merchant knows all about what he has in his store. The inventory takes the lid off and shows up the stock just as it is.

It is a good plan, in order to reduce as much as possible the necessity for listing sales made during inventory, to begin the work with the goods that sell fastest and work back to the occasional sellers.

Two men will work faster together on inventory than working separately. One can call the items and the other set them down, thus specializing the work a little.

The ultimate prices need not be carried out in listing the goods and in the case of stock that needs to be looked up in the late market quotations, it is necessary only to list the items and amounts.

The practice of bunching the goods in a certain section and placing a lump value upon them is not advisable. Such pricing is not done accurately and it does not furnish a proper list for

Store Management—Complete

reference in case of fire or other need of detailed information.

Stock taking is not all of successful storekeeping, but it does go far toward making a business a success financially. It is absolutely imperative if results are to be known and reliable.

The more attention to financial details a business man pays, the more he will know about what he is doing and what he can afford to do.

CHAPTER XI

THE CREDIT BUSINESS

It is hardly possible to decide by any form of argument whether the credit business as a whole is an advantage or otherwise to the retail merchant. It is possible, however, for you, the individual, to decide whether it is an advantage to you or not.

Of course the cash right "on the nail" is better than anyone's promise to pay, no matter how good he may be. Any merchant who sells goods on credit, no matter how limited the credit as to time or persons, will lose some accounts in spite of all possible precautions. It cannot be avoided.

But there is no doubt that a judicious line of credit extended with care to good risks results in selling those people more goods than they would buy if they had to pay the cash for everything they bought.

There is little money in selling more goods if they are sold to people who cannot afford to buy them, but it is possible to handle a credit

Store Management—Complete

business in such a way as to produce only a very limited loss by poor accounts.

We all know the difficulty of handling on a cash basis any trade that comes to us over the telephone or that is secured by sending the clerks out after orders. When the customer gets the goods without coming into the store at all, there is a large chance of some people who are poor pay getting on the books to stay.

Of course solicitation of orders can easily be confined to people who are considered good pay and no poor pay families need be asked for business in that way. Over the telephone it is a little different, for there are plenty of dead beats who are clever enough to send orders in that way and leave very little chance for turning them down without an absolute refusal to part with the goods before getting the money, and most merchants hate to refuse outright to sell to someone who may always have paid promptly in their own store, although having a bad reputation elsewhere.

If you are running a cash store, there is no chance for much variation in policy. The way to do is to make your terms just what you claim they are, spot cash for everyone who buys goods. Advertise the fact that you are doing this and that you are making no exceptions. Come right

Store Management—Complete

out into the open with your statements. Say that there is no use asking you into the private office and begging for time, because you are adamant upon that one rule and that you positively refuse to favor one customer above the rest.

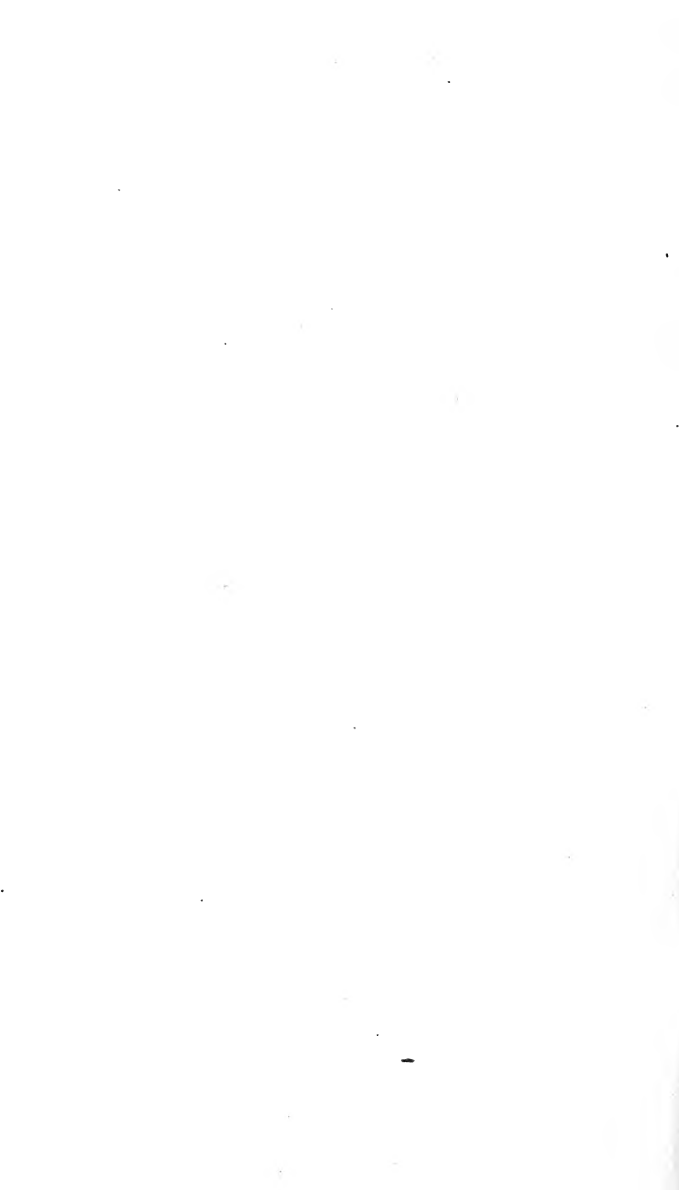
This is good argument for a certain class of trade and will interest them by making them believe that they buy to as good advantage as anyone. The average so called "Cash Store" is not a cash store at all and most of the customers know it. The "Cash" is simply a peg upon which to hang the delinquent debtors whom one does not wish to trust. This plan of management is not a bad one and in many instances works out to good purpose, but it is not running a cash store and should not be confused with the real Cash Store basis.

If I were to run a cash store, I would make it spot cash and nothing less to everyone who came in. The only way to get the advantage of having the money is by having it.

Most cash stores, when they are old credit basis stores made over, have a hard time with some of the old credit customers. These people think that because they are good pay, they ought to be allowed to buy on time. They do not realize that one great advantage of the cash



*The proper way is to figure cost of doing business
upon the selling price.—See page 191.*



Store Management—Complete

basis, and an advantage that you are counting upon when you make your prices in accordance with that basis, is the having the money right in your fist when you need it.

You can make all this plain in your advertising. Go right into details about the subject when the store is started, or when the policy is changed, or if it is already under way, do it now. Show these people just what there is about it. Take them into your confidence, as it were, and don't be afraid to give them hard facts. Do not quibble or temporize.

Do not make the mistake of reducing prices too much on account of the expected advantages of the change to cash basis. Before making any reductions along staple lines figure out your expense of doing business and see whether you do not need yourself all the extra advantage without dividing it among your customers.

Price must be one of the levers used by the cash store to bring trade, but that does not mean that there must be cut prices. Special bargains may be used on side lines and special goods instead.

Convenience, ease of buying and the alluring prospect of being able to pay "when it is convenient" are the baits of the credit store. Many people really need credit. Many others make

Store Management—Complete

use of it to the disadvantage of the merchant, simply saving themselves interest.

The merchant whose credit opportunities are used by his customers simply to make him supply them with the necessary money for handling their family expenses has no redress. If he gives credit he cannot discriminate as long as the customers pay. Of course the long time customers can be eliminated by restricting credit to thirty days.

Thirty days is long enough for anybody and the man who cannot pay up in thirty days is a risk worth considering carefully before letting him get very far in debt to you.

There is no question about people liking to walk into the store and say "I'll take that, and that, and that. Send 'em up and charge them to our account." It sounds large and it is mighty easy. It doesn't take any money out of their pockets then and if it is a case of papa paying the bills when the month rolls around, they buy more this way than they would if they could not buy except for spot cash.

The question of whom to trust is a perplexing one. In every town are certain well known "old families" about whom there is no question. They are conceded to be "good"

Store Management—Complete

whether they are so or not. They have to be trusted.

Then there are many honest working men who draw their pay every Saturday night and pay regularly unless some accident befalls and deprives them temporarily of their incomes. Then they sometimes get far enough behind so that the merchant has to cancel a part of the account, or at least let it go indefinitely, which is the same thing, as it rarely gets paid.

There are men of good salaries whose positions are like those of the honest laborer only on a larger scale. They pay while the salary comes regularly and when it stops they move away and leave an aching void.

These classes carry with them only the legitimate risk of trusting any "good" man. They pay until they become unable and then you lose. That is all anyone can expect.

The poor pay class is made up of people who might in a way be said to belong to the above classes though they in reality constitute a class by themselves. They are families and individuals who cannot live within their incomes and are constantly running behind. They eventually get far enough in arrears so that they have to repudiate their debts either through the

Store Management—Complete

bankruptcy court or by simply declining to settle. These people soon get a reputation and right here the merchants' association comes into play and should cover these habitual poor pay people, even though they are people with honest intentions and nothing worse than poor financial heads. Such an organization can help its members a great deal in this line and if it is desired, it can usually work with any local organization in a near by town to give and receive information regarding people moving in from such places.

There ought to be no hesitancy about refusing to trust people who do not pay promptly. It is a benefit to them and to the merchant to have their credit cut off. It teaches them to pay their bills and if they have to pay they cannot spend more than they earn.

The possible loss of a customer who takes offence at being refused credit is not important although of course it is better to have the good will of everyone possible. The number of people who will really get mad over the question, if they are handled tactfully, is small and you may be sure that they will not go about spreading the information very largely since it is more to their discredit than it possibly could be to yours.

Store Management—Complete

The bugaboo of fear of offending people by refusing to trust them is largely a creature of the imagination. Go right ahead and give your customers plain facts about the matter and let those get mad who will.

The big stores with their special credit men have the advantage of one man's time and attention being given solely to getting information regarding customers. In the small store the proprietor must be the credit man in addition to his other duties, but he will find it possible to keep on hand a good deal of information about customers and possible customers if he will take the pains to have an indexed book in which he writes any information he gets about these people who are doubtful pay.

It is well, before trusting a new man, to know where he works, how much he gets, what his habits are and what the habits of his family are and how much of a family he has, etc. It is well to limit his credit to an amount that he presumably could pay. If possible he should give references of merchants with whom he has previously dealt. The ability or the unwillingness to give these may be the key to his paying habits.

Even the store where the credit policy is openly followed may do a great deal to encour-

Store Management—Complete

age people to pay cash by making cash an inducement to them. The cash discount method is not generally as successful as the use of some sort of premium plan. Anything that a woman can get free at the store looks to her like a valuable inducement. Cash discounts do not appeal to womankind as powerfully as premiums worth half what the cash discount might be.

An offer of ten per cent. off for cash will not interest the women as a rule, but the offer of a premium which may figure out a cost to you of five per cent. of the sale will get her every time, if it is fully explained to her.

The making of a credit into a cash business may be accomplished with the use of such inducements, gradually weaning people from the credit idea by cutting down the time given for payment of bills and by offering inducements to them to buy for cash.

One way that may be used when the time comes to make the final change to all cash, is by the use of a special sales plan. A big ten days sale may be advertised, the cash features of it being strongly emphasized and nothing in the way of cut priced goods sold except for spot cash. At the end of ten days, extend the sale for ten days more, adding more bargains

Store Management—Complete

and announcing that the success of the sale leads you to continue it. When the second ten days draws to a close, announce that the plan of selling for spot cash results so satisfactorily and permits so many good bargains to be offered that you have decided to change to that policy altogether. This evolution is natural and logical and if the matter has been handled properly from the very first it will result in making very few disgruntled customers. Of course there should be some special bargains offered weekly for some time at least after the change is made in order to carry out the idea and show the public that as you have said, the cash basis does give them a chance to save them some money.

With all the care a store may use, short of absolute refusal to trust anybody, some slow pay and some poor pay accounts will get on the books. The collecting of these is important and otherwise they represent losses out of the store's profits. There are many little tricks of collecting that will work here and there and here are some suggestions about collecting.

Some dealers try making the monthly statement to a slow pay man a few dollars more than the account actually is. This will often bring the debtor in to see what is the matter

Store Management—Complete

and then there is a chance to talk the matter over with him and get a payment or a date when a part payment at least will be made.

Another plan, and a good one with people who are really honest but mighty hard up is that of sending them an offer to settle for fifty per cent. of the face value of the debt. This plan will usually get the co-operation of the honest customer and if you can get the account off from your books thus, you have a chance to get the customer coming to your store again on a cash basis, or on a careful, weekly payment basis. Many customers are lost by reason of their getting in debt to the store and ashamed to come in, or afraid to do so. Any plan that gets them to feeling that they are on a fair footing with you again, gives you their business once more.

There are certain rules that ought to be followed in all accounts. All bills should be rendered promptly and often. The small bill is the easiest paid. As they say, "A short horse is soon curried."

Accounts should be kept posted up to date so that when a man wants to know how much he owes he can be told without keeping him waiting a minute.

It is not enough to know when a customer opens an account that he is entitled to credit.

Store Management—Complete

He should be watched closely enough so that if conditions change you will be aware of it.

Don't pay out good money to get bad results from a collecting agency. Better to be your own collector.

Make it your plan to get from slow pay customers a little money if you can't get the whole bill. Better half a loaf than no bread.

When you ask a man for a payment on his account and get a promise, see that you are right there on the spot on the day and date that he said he would pay something. If you get nothing then, take a promise and then be there next time. Keep right after him and always be there when he told you to come. Leave him no excuses such as being able to say, "I said I'd pay you last Tuesday but you never came around."

Mr. Slow Pay should be discouraged in every possible way. Head him off at all the corners and meet him at every turn. If he gets this kind of treatment from all the stores he will become discouraged and decide to become a cash buyer and save trouble.

A good many of the slow pay people in the community are slow because their storekeepers have let them become so. A good merchants' organization working harmoniously to curtail

Store Management—Complete

credits and force prompt payments will do more to make a spot cash town than any other plan.

It is surprising how many slow pay customers can be induced to settle through persistent collecting attempts. Statements are generally the first form of effort. These should be sent the first of each month anyway to everybody on the books. All other collection methods are more or less supplementary.

When statements get no returns write a polite note of request, worded something like this:

Dear Sir:— There is a small charge of \$—— against you on our books for goods bought previous to Feb. 23rd. We find that we need to collect all these accounts in order to facilitate the handling of our business and taking our cash discounts. We wonder if you cannot oblige us with a check for all or part of this to-day.

Yours very truly,

Of course a payment on account, like a new purchase, brings the whole up to date and prevents it from outlawing.

There should be no threat of suit unless you expect to bring the suit. Threats are idle if not followed up. The best collecting method is where a member of the firm can call in person

Store Management—Complete

repeatedly upon the offender. Nothing is as good as personal collecting and nothing makes a good collector like needing the money. The merchant who is a little short of money and has to keep hustling after it all the while will be about a hundred per cent. better collector than he who has plenty of capital behind him and never knows what it is to be hard up.

There is money in accounts on your books now that you consider dead that could be obtained by persistence and shrewd effort. Don't be satisfied with the hackneyed methods of collecting. Try something new now and then. Get into personal touch with debtors and keep so. Don't make them angry but appeal to their sense of fairness and honesty. There is plenty of manhood in most of the people who think they can't pay you and they can come a good deal nearer to paying than they think—if you can get them to try.

Of course it is important that you get your accounts correct and it is very important that all credit purchases be charged. However we assume here that you attend properly to these matters.

When a customer disputes an account, if he or she has a good reputation with you it is sometimes advisable to allow what you feel sure

Store Management—Complete

is an improper deduction. But you will always be perfectly justified in insisting upon going by your books unless the customer has indisputable evidence that they are not correct.

When anyone wants to pay a bill with a post-dated check or note, just induce them to date it the day it is written and agree not to deposit it until a certain time. Never accept any post-dated paper. It is utterly valueless until the date arrives and you take all the chances of something happening in the meantime. The maker may die or become incapacitated to transact business. The firm, if it be a firm, may be dissolved. The bank named may close up. The maker may become insolvent. You take all the chances of all these things and more beside.

The merchant must keep constantly before him the fact that he is in business to make money. Merely selling goods will not get him a living. He makes no profit until the cash is in the money drawer. Accounts on the books may have an inventory value and he might be able to sell them along with the business, but he cannot spend the money they represent until they are collected. Cash is the thing and the object of the credit business itself is to get the cash.

The only short cut to getting the cash is to

Store Management—Complete

get it when the goods go out of the store. Anything short of that is simply a more or less roundabout way of accomplishing the same thing.

CHAPTER XII

WHAT TO SELL

No matter what kind of a store a man may run, there are certain lines that he carries as a matter of necessity. The name of his store probably indicates a part of what he sells.

He feels that his business is the selling of certain goods and that any variation or departure from that line of goods is branching out into side lines which may or may not pay and which may or may not get him into disfavor with other merchants who may feel that he is encroaching upon their territory.

Of course there is a main, principal line of goods that belong in your store. You must have those goods anyway. They are the reason for the existence of your business.

But there are no end of other goods that you may carry with profit. It is your business to find out what those other lines are and to stock them with care if you feel that you can handle them successfully.

Of course a merchant ought to see that he has

Store Management—Complete

his regular stock up to the mark and moving along properly before he adds to his responsibilities. If he cannot handle successfully the goods he has started out to sell, it is not likely that he will handle to any better advantage lines about which he knows less, lines which may require more effort to move and which perhaps pay a less profit.

The regular stock that you carry ought to contain the goods for which you have a steady demand and it ought to contain the goods in your line which are generally advertised.

There are many lines of staple goods in every store that are being advertised by the manufacturers to an extent that is costing hundreds of thousands of dollars. The dealer who is wise is taking advantage of this publicity in every possible way.

For instance some well known article which you sell is given some week a full page display advertisement in the *Saturday Evening Post*. This ought to bring you some business.. It ought to develop some new customers in your town for that article. If it does not do this, the advertisers are wasting a lot of good money.

It will make new users of that article. Why don't YOU try to get those new users into your store for their initial purchase, thereby

Store Management—Complete

starting them right — from your point of view?

In order to do this you should make use of the *Post* advertisement. You should co-operate with the advertisers. They will co-operate with you because they know that they have got to have your help in order to win out and make that big advertisement pay.

It is necessary to sell some goods if the manufacturer is to get back three or four thousand dollars that a big spread will cost him.

When you find an advertisement of this sort in a popular periodical, cut it out and paste it on a large white card. Underneath the cut out write in plain letters something like this, "We sell these goods at the advertised price." Hang that up in the window while the magazine is in the hands of the people.

If your store happens to sell magazines, take a rubber stamp and imprint right on or under the big ad itself, "We sell these goods. Smith's Store." Or "These goods on sale at Smith's." Or insert folders in the magazine.

In this and in similar ways it is possible to get some of the results of the money spent in general advertising.

In order that you may know what the general advertisers are doing be prepared in advance



Keep an index book in which to write any information about the people who are doubtful pay.—See page 213.

100-10000

Store Management—Complete

for any such advertising campaign as this, you ought to read your trade journals carefully since practically every big advertising campaign is mentioned ahead of time in their pages.

There are some dealers who will not stock new goods advertised on a big scale. They say "Our shelves are too full now. We have got more kinds of goods along this line than there is any market for and we don't want to increase our stock by loading up with a lot of plunder that won't sell."

There have been cases where flash-in-the-pan campaigns have been started and have resulted in loading up the dealers with unsalable goods. However, such instances are rare. They are rare because the advertisers who are taking these big single and double page spreads are not doing it experimentally. They have figured out what it is going to do for them. They have done this on their own account and the magazine has done it for them because the high class advertising medium of to-day does not want any advertisers who are likely to flash up and then die.

When you want to take advantage of the big advertising, if the advertisers do not write you asking you to help, write to them and ask them what they can do to help you help them.

Any reliable and responsible concern when it

Store Management—Complete

is introducing a new article is willing to help the retailers a good deal, and as a rule it is willing to help them by guaranteeing the sale of an initial order. That is if the goods do not move as the result of their advertising, they will accept them in exchange for other goods for which there is already an established sale.

The manufacturers want the retailers to co-operate but they do not expect the co-operation to be all one-sided. They are willing to do their share. If you as a merchant fail to get your portion of their help it is largely your own fault.

The goods for a store to sell are the goods that move off fast in preference to those that go occasionally. The profit is in the quick sales.

You may have lines that afford a large profit and yet sell so seldom that the extra profit is absorbed in interest on investment and in the many items that it is proper to charge up against stock while it remains upon the shelves.

Suppose you have \$5,000 invested in goods. Suppose you turn this stock but once a year on a basis of 50 per cent. net profit on the gross sales? You make \$2,500. Suppose you turn this stock four times a year, selling \$20,000 in the twelve months? Twenty per cent. of profit on this gross will produce you far more

Store Management—Complete

net profit than the 50 per cent. on the one turn and it is easier to build up a trade on a 20 per cent. profit basis than upon a 50 per cent. plan.

So you see the game is to turn your stock as often as possible and thus make it possible for you to sell at lower prices and make more money.

In order to make the frequent turns it is necessary to handle quick selling merchandise. Pick out your stock with a view to its salability rather than thinking only of the possible profit it can be made to pay on each individual sale.

Go slow on the goods of the cheapest class. Let someone else build up a trade on a price basis alone. You strive to get the reputation of selling goods that will give satisfaction.

Of course in order successfully to sell high grade goods it is often necessary to have the cheap ones in stock. If you have a call for a cheap grade of article and do not have it, you are handicapped in your effort to sell the customer something better. The customer takes what you say with a grain of allowance since she reasons that you are talking to make a sale.

If you have the cheap article and can set it right out when it is asked for and then go on to call attention to the better goods and say that they are the most economical and satis-

Store Management—Complete

factory, etc., you have the buyer's confidence from the first.

Keep samples of the cheap goods and don't be afraid to show them but don't sell them any oftener than is necessary and that will not be often if you or your clerks have any salesmanship at all.

When it comes to side lines those should be chosen which are in the same class as the rest of your stock. That is, a store which prides itself upon its policy of handling only high grade goods, should not in putting in side lines depart from this policy and stock shoddy goods.

There are several reasons for this. One is that if people have been in the habit of swearing by the things that come from your store and they buy some of this new side line goods and find them faulty, they will henceforth swear at you instead of by you.

Another reason is that people who have not known much about your store but have been drawn in by reason of a desire to buy some article in a new side line, if they find the side line goods poor, will consider that your store is that way all along the line and you will lose your chance to make a new and valuable customer.

Carry out the store policy to the last letter

Store Management—Complete

in new lines of goods. Keep in mind the fact that no matter what people think of the price of goods in buying them, no matter how cheap you sell cheap goods or how dear you sell good goods, when a man takes the goods home and uses them he thinks of the quality and the resultant satisfaction in use and forgets all about the cost.

Quality is what produces repeat orders. Low price may get the man in for the initial purchase regardless of the quality, but if the goods do not give satisfaction he will not come back for more even if the price is cut in two.

The cheap goods stores, those which sell only cheap goods, soon find themselves with only a cheap grade of customers. The store that wants to grow big needs the trade of the people who have to consider the pennies, but it does not need to cast off the better class of customers in order to get the middle, or even the lower class. This of course is more particularly true in the small town than in the city where exclusive shops may find enough people of the exclusive class to make them successful.

Exclusiveness does not go with bigness and it is more foreign than American. The man who feels that his store is above certain classes of customers will soon find that he is avoided

Store Management—Complete

by the people he feels above—and that means that he must get the high class trade or fail. And the high class trade is as fickle as the wind that blows. It may stay with your store and it may go to another without notice and without a sympathetic regret. Don't count on holding the exclusive, the aristocratic or the snobbish trade any definite length of time into the future. Take it while it comes and be thankful but let your confidence stop there.

There is, especially in the small town, a sort of habitual fear on the part of the merchant that he will, in stocking a different kind of goods, step on the toes of some other dealer.

Now altruism is a very good thing. "Live and let live" is a first class motto, but a more necessary law is the law of self-preservation and the merchant who begins to look out for the other fellows will soon find that there is no one looking after his own interests.

There are probably individual instances in which you as a man, rather than as a merchant, would feel that it would be an unwise policy for you to stock and push a line already covered by a competitor. You may have personal feelings that incline you to help another dealer and it is well to yield to any charitable inclinations but it is not well to be bashful about branching

Store Management—Complete

out. If you are going to increase your business and you have reached about the limit in the legitimate direction of your main stock, what can you do but take on lines that are already handled by others? There is not much chance of finding brand new live lines that no one is selling at all.

Stand by your own sense of justice in the matter and as long as you feel that it is a perfectly fair and square thing to do, don't hesitate to stock any line that you think you can sell to advantage.

Other merchants do not hesitate about taking on your line of goods and often to your material disadvantage at that.

You will find that most successful merchants care little what they sell or how they sell it so long as the goods are worth the money and the methods are honest. The big businesses are more of them dependent, are most of them dependent, upon large variety of stock for their bigness. It is ten times as hard to develop a big retail business on one line of goods as it is to develop it on ten lines.

One line brings in only the people who want that line, the people who realize before coming that they want it. Two lines bring in the people who want each of those lines and those who

Store Management—Complete

come to buy one line often stop to buy the other also. The same plan holds good with the addition of an indefinite number of lines though in order to get the full effect it is necessary for the customer to seek all the other lines and this is often impossible.

The mail order house, selling as it does on price chiefly, is competition that calls for prices to meet it.

The best way to meet the mail order house is to meet it fairly and squarely on price and depend upon salesmanship to get the business into a profitable grade of goods.

If the mail order catalog advertises an article in your line for a certain low price, find out definitely what grade of goods it is offering at that figure. Get a sample of the article and have it ready to show to doubting customers. Then side by side with it place a superior grade of goods that pays a profit and that will give the customer satisfaction.

Tell the customer that if he wants that mail order grade, there it is. Damn it with faint praise. Show him in actuality what he has only seen in the picture before and you will show him that there is a lot of difference between the way a cheap article looks in the picture book

Store Management—Complete

and the way it looks when it is taken home for use.

The kind of goods that compete best with mail order goods are those that sell for a moderate price, not too much above the mail order figure but far enough above to give a quality that will produce satisfaction on the part of the customer.

If a man buys an article cheap from the mail order house and takes it home and uses it and it goes to pieces before he has had a chance to find out whether he liked it or not, no matter whether it is a lawn mower, a fountain pen or a tooth pick, he will be sore and if his neighbor has a similar article bought from you that is giving satisfaction at a price not noticeably higher, probably no higher when freight, etc., are considered, that first man will be apt to come to you another time and get what his neighbor got. He will unless he is a fool and you must make your plans without reference to the exceptions.

If you want to develop a mail order business yourself, you can do this to advantage by adding single side lines that are easily sold in that way.

These lines should comprise goods that are popular sellers, goods that can be sent readily

Store Management—Complete

by mail and that will give the buyers satisfaction.

When you get an out of town customer into the store and succeed in selling him something he will like, take pains to make it plain to him that you will appreciate his repeat orders by mail.

Tell him how to send his order, how you will ship the goods and how much he should add for transportation. Put your store name on the goods he buys so that he will be reminded of you until he uses them up and will know then how to get more.

The way to get mail order business is to have something that people want and to make it easy for them to send to you for it.

There are plenty of people to-day who have made purchases in your store and have gone away to wish that they had some more of the same thing and they plan that when they come to your town again, or when someone is coming by whom they can send they can get more, but that makes a very indefinite time and you probably do not get the business in the end. They go without the goods or they find them elsewhere nearer home.

You ought anyway to keep a record of out of town sales and the names and addresses of the

Store Management—Complete

people to whom they are made, as far as they can be obtained. To such a list you can send form letters calling their attention to the fact that you are ready to duplicate the goods they bought if they wish more of them.

Of the greatest help in developing new lines or in choosing them, as well in keeping the main lines up to the mark are your trade journals.

And right here, I want to urge upon every reader the desirability of following the trade journals closely.

You ought to have one or more good journals that cover your chief line of goods and you ought to have journals covering the side lines you handle. It seems foolish to a dealer to take a trade journal on account of a line of goods which he carries only as an unimportant side issue, but many a merchant has, by studying the possibilities of certain side lines and by reading the advertising in the trade journals of those lines, been thus enabled to make those side lines of an importance exceeded only by the chief line he carries. And sometimes the branch line has gone ahead of the main business of the store and beaten it out.

Don't stop with taking a trade journal and glancing through it when it comes, though that

Store Management—Complete

is better than dumping it into the waste basket unopened, but go through it and examine every page with as much care as if you expected to find a dollar bill hidden on that page. You may easily find there what will mean to you many dollar bills.

Personally I get trade journals in every line I sell in my store, and I do more, I take some journals that are entirely outside of my line. I do this because the ideas that other merchants in other lines find good I can make just as valuable in my line by adapting them a little bit.

There are no end of brains put into the making of trade journals. The editors are just as anxious to make them of value to their readers as their readers are to have them do so. If you find fault with your journals, write and tell the editor what you want. He wants to hear from the readers. He finds it mighty hard work to get them to express their opinions and since editors are human, like everyone else, they cannot tell what people want unless those people tell them.

Read your trade journals with care and either file them complete or make a scrap book and paste into it every worth-while item found in those journals.

The trade journal ought to be your prophet

Store Management—Complete

and general adviser and if you accept it in that capacity and do not find the plan profitable you will be the first man I ever heard of who met with that result.

CHAPTER XIII

PREMIUM GIVING

Premium giving to get or to hold trade is so common nowadays as to be almost universal. If it could be entirely eliminated from business, from the giving of a cigar to the man who buys freely or who settles his bill, right through all grades up to the buying of the patronage of the richest family in town by giving their purchasing agent a rake-off, the mercantile world would be saved a tremendous amount of money to be added directly to its net profits.

However there is no possibility of disposing of premium giving to any such extent. There will always be the opportunity for merchants to secure favor and custom by giving something more for the money than the mere goods bought.

This means that the man who uses such means in the most attractive way will reap the richest results. It is not the merchant who gives the largest money value with goods who will draw the most trade by the means. It is he who offers his premiums in the way that will interest

Store Management—Complete

and appeal to the most people. There is a psychological element in the matter.

For instance, you may offer your customers checks with all cash purchases, amounting to a five per cent. discount when returned in lots of ten dollars or more. Your neighbor may offer for the same kind of checks premiums that cost him less than five per cent. of their value in checks, and yet the man who carries the line of premium goods will get his checks saved by pretty nearly all his regular customers while only a very small per cent. will save checks for the promised five per cent. in money.

If men were the buyers and shoppers, the result might, I say MIGHT be in favor of the cash rebate, but women do most of the buying and women are attracted much more by a display of alluring gifts, premium goods, than by the promise of money at an indefinite day. Besides, the premium goods can be listed at a value quite a bit higher than their actual cost which will make them appear all the better as an attraction.

Does it pay to give premiums?

Without a doubt it does pay when judiciously done. No advertising or business-getting effort pays unless it is conducted wisely. There are undoubtedly many individual instances where it

Store Management—Complete

would not pay to use premiums. These, however, merely serve to prove the rule. Judicious premium giving pays.

It pays to give the farmer who drives in on Saturday and buys a big bill of goods from you a cigar and something to take home to the children.

It pays to give Mr. Moneybag's butler his little five per cent. rebate on his master's supplies. It pays to make it an object for the purchaser of small lots to buy ALL of those small lots from you instead of scattering them here and there all over town.

In some cases it pays to do these things because if you did not do them they would be done by the other fellow and he would get the business. In other words premium giving is sometimes necessary only as a means of self-defence, though in cases where it has no other excuse, if both you and the other fellow, your competitor, were to omit the practice, you would both save money—to spend it in trying by some other methods to get ahead of each other. Two live, active, competing merchants are certain to develop more or less costly methods of business getting and perhaps it might as well be premium giving that uses up their surplus as foolish forms of advertising.



*Lines that afford a large profit, yet sell so slowly
that the extra profit is absorbed in interest.—*

See page 226.



Store Management—Complete

When a number of competing stores form an agreement to abolish some certain practice which they feel has come to be a burden, part of those stores will benefit by the change.

Just as in abolishing the giving of premiums by a certain line of stores the stores with little capital and a lack of ability to carry a good line of premiums would be placed on a par with the store with all kinds of money to handle the premium business properly.

Nearly all the rules that apply to the so called legitimate forms of advertising apply to premium giving.

The expense of premiums should be charged to the advertising account and its total should be kept well within the proper limitations. Unless premiums are necessary in order to meet the premium giving of other stores and thus enable one to hold trade, they must be made to produce new business.

Premium giving which does not produce business, like advertising that does not produce business, is a useless expense. If a merchant is simply giving customers so much bonus for trade that they would give him anyway, he is throwing away his premium money.

No store can live long unless it develops new customers. The old customers will, some of

Store Management—Complete

them, move out of town, some will die, some will be inveigled away by other stores. Unless your store gets new customers, it will soon be lost in the shuffle.

In order to make premiums produce new customers the fact that you are giving them must be exploited continually among people who are not your customers, among newcomers in town, among people in adjacent districts who ought to be trading in your town, but who are habitually going elsewhere. This can be done best by the use of circular letters.

And in this connection it is well for any group of merchants, any merchants' association representing a town, to consider before adopting a resolution abolishing the use of trading stamps or coupon or premium schemes among its members. There may be a nearby town that will take advantage of such a condition and lure away much of the business that it has not been getting under previous conditions.

And any agreement among merchants to abolish premiums should be made to include ALL merchants in town. Otherwise some little fellow who has limited capital but unlimited ability and ambition may take advantage of his exemption from any such agreement and begin to grow at an unexpected pace.

Store Management—Complete

The use or non-use of premiums then would seem to call for individual decision in the case of every individual merchant. No hard and fast rule can be laid down for all cases.

I would, however, strongly advise any merchant to consider well both sides and all phases of the question before going into it. It may be just what he needs to remedy faulty conditions and to bolster up a failing business. It may be that it would prove of no advantage to anyone but his customers.

But if a merchant is to use premiums he should see that he uses them in the way that will produce the least work, the least expense, and the greatest returns.

Probably the plan that will produce the least work is to take up one of the numerous forms of trading stamps put out by concerns in the premium business and simply hand out the stamps with purchases as agreed. This, however, involves paying the trading stamp people a profit on their goods and their business. The cost of these stamps is paid by the merchant. He cannot raise prices any to cover that cost. The cost of the stamps includes the cost of the premiums, a profit on them to the trading stamp company and also all the expenses of that company for handling its business.

Store Management—Complete

And right here I want to remind the merchant using trading stamps that it is a poor plan to begin offering "double trading stamps" on certain days or in any other way to precipitate a trading stamp war, which is in fact nothing more than a competition to see who will cut a price the farthest.

The merchant who handles his own premium proposition in its entirety is certain to save money on its cost when done by the trading stamp plan. Of course he is not co-operating with other merchants and enabling people to combine the stamps received from him with those from other sources, but he is doing all his work for his own store. These same other merchants having your kind of stamps, though presumably in other lines of trade, do lap over into your line in innumerable cases.

You can give people enough better value for the money if you buy your own premium goods so that they will save your coupons, even though they cannot combine them with others.

The kind of coupons to use varies in different stores. The plan that is probably simplest and easiest is the use of checks issued by a check printing cash register.

The checks bear the amount of the purchase, the initial of the clerk making the sale, the date

Store Management—Complete

of the sale and printed matter which may tell how the checks are to be used to secure premiums.

In a store which does not use the cash register system, numbered and priced coupons may be used, following any plan that the manager thinks best to adopt. In a store where the sales are mainly five, ten and twenty-five cents or multiples thereof, checks or coupons of those amounts can be used exclusively.

In using these premium checks they should never be given with any but spot cash purchases, meaning purchases where the money is paid when the goods are taken away, not the next day, or even in the evening of the same day, but at the very time the goods are taken.

Any sale that has to be charged even for a few hours should draw no premium check. And herein lies one of the greatest values of the use of premiums. They make a credit business into a largely cash business if they are properly exploited.

There will always be people who will want to come in and pay in a few minutes or hours or days and still get the coupon. There should be a rule that will absolutely prevent any such work. This rule ought to be printed on the coupons and placed in conspicuous places around

Store Management—Complete

the store and over the cash register or cashier's desk.

There will be instances calling for considerable tact to keep the customer satisfied and yet avoid violating the above rule. People will telephone in for goods to be brought to the house and expect to come in later and pay and get the coupon. In such cases, the coupon should be sent with the goods and the messenger instructed to explain that if the coupon is desired he must be paid for the goods. He should be provided with proper authority and plenty of change, and if the customer tends payment and the messenger cannot accept it for any special reason, it may be that fairness and common sense dictate that the coupon should be given later when the amount is paid, unless obviously allowed to run unnecessarily long.

Then there will be times when goods ordered for a customer will come before the bill comes. The customer may be in a great hurry for the goods and you do not know how much to charge for them. The customer is prepared to pay. It is pretty obvious that that customer is entitled, if the goods are paid for as soon as you give him opportunity to pay, to a coupon.

Some stores install a premium-giving system and then act as if it hurt them to have to hand

Store Management—Complete

out a coupon. They never give them up except when the customer asks for them. Under such conditions the plan will fail. Customers may ask for the coupons once in a while, but not often enough to make the plan of any value. The checks should be handed out to everyone who is entitled to them without fail. If the scheme is a good one it should be pushed to the limit with every customer. If it is a poor one it should be abandoned at once. There should be no half-way work and clerks and salespeople should be so instructed.

A kind of clerks may be supercilious and inclined to act a bit scornful over the insistence of a poor customer whose purchase is small but who is just as anxious to have her coupon as any purchaser of larger quantities. All buyers ought to be treated alike and all given the checks as a matter of right and not as a favor. If the check is forgotten, and then asked for, it should be given with an apology for the delay.

It is not well to put a close time limit on the coupons. It discourages a customer to note that there are only a few weeks or even months in which to get enough coupons to win a premium. And as the end of the time draws near it will be difficult to interest new people in the plan.

Leave the offer open indefinitely with the

Store Management—Complete

statement to everyone that there is no time limit and that when the offer is withdrawn there will be plenty of notice given in the newspaper advertisements, and further that all coupons will be redeemed anyway. Then when it does become desirable to end the time on coupons for the purpose of starting a new plan or for any reason, announce the same generally in advertising space and ask all customers holding coupons to bring them in for settlement and after a few weeks of such notice announce a final date after which no more coupons will be redeemed.

It pays to be generous in such a matter, because generosity will hold the customer's trade and the reverse will lose it. A customer badly treated on one coupon deal will never try the scheme again, no matter how attractive it may be made.

It seems absurd on the face of it and yet there are many stores in which premium plans are followed and handled in such ways that they make enemies instead of friends for the store. In the transaction of all business between the store and its customers tact must be used and care to avoid friction. The premium business increases the proportion of business transactions between merchant and public and thus increases the chances for difference.

Store Management—Complete

It is often a question with the merchant who provides his own premium system to know what to use for premiums.

The variety of premiums should be sufficient in kind to provide for different tastes and for repetition by the same people without having to take the same premium over and over again. It should offer premiums at sufficient different prices or amounts so that all grades of customers may find something to work for.

It generally proves wise to offer premiums graded at five, ten, fifteen and other multiples of five dollars up to fifty dollars and in stores where the individual sales are often of considerable amounts, to much larger sums.

Since most purchases are made by women, most of the premiums should be made to appeal to women and in any event, even in a cigar store, it is best to make the premium list appeal to the feminine side of the household, for the men who will start and continue saving any kind of coupons on their own initiative are few.

Articles of utility have not as much premium value as articles that are more or less of luxuries, useful luxuries perhaps they might be called. For instance, cut glass is a very good line. All women like to have that or similar decorative things in the house and those who

Store Management—Complete

can afford to buy but few of them are apt to feel that the premium plan offers a chance for them to get for nothing something they have long wanted but could not spend money for.

Thus cut glass pieces, decorated chinaware, silverware and other table things make about the best and most desirable premiums for first choice. Teaspoons or other silverware can be carried in standard pattern and the customer allowed to take spoons, etc., one at a time, thus gradually accumulating a set. Jewelry makes especially good premiums.

And then goods of these kinds commonly retail at a large profit so that the value of the premium can be listed well above its actual cost to the merchant.

The customer calling and presenting coupons for a premium ought to be treated with the same courtesy as if she were making a purchase. It takes away all the benefit accruing from giving the premium if it is handed out as if the store were condescending to bestow a great favor.

The customer with the coupons is entitled to the premium just as much as if she were buying it with money and she is entitled to the same courtesy in the transaction. She should be treated exactly as if she were making a real money purchase, being waited on in turn and

Store Management—Complete

given abundant time to make a decision and allowed to exercise choice in choosing the gift.

The premium goods should be shown with the same care, displayed with the same desire to attract attention to them that is used in displaying goods for sale. The more people there are attracted to examine and inquire about the goods, the more may be induced to begin saving for them, and once you get a woman saving checks from your store, no one can drag her into your competitor's store for anything you sell.

If customers wish to buy the goods displayed as premiums, sell them to them at the rate the premiums are estimated worth and it is wise to have an established ratio between the face value of the checks and the estimated value of the premiums.

It may be that you can rate your premiums worth ten per cent. of the checks. In that case you have a fixed selling rate for the premium goods when anyone wants to buy, and you have a basis upon which a deal can be effected if a customer has almost checks enough and wants to pay the difference in cash. Suppose the customer has forty dollars in checks and wants a premium rated at fifty? If your premiums are on a ten per cent. basis, you allow the customer to turn in the forty dollars' worth of checks and

Store Management—Complete

pay one dollar in money and take the premium.

Keep careful track of the expense of the premium plan and also keep track of the increase in business that may possibly be attributable to the use of premiums. Don't run the plan a bit longer than it pays. It is your business to know whether it pays or not. When it comes time to get out of it, do so as gracefully as you can, but do it. No better reason is necessary than the fact that you cannot afford to continue its operation.

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